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France Performs Sixth 1991 Nuclear Blast

LD1607122791 Moscow TASS in English 1211 GMT 16 Jul 91

[By Georg Mikhailin]

[Text] Paris July 16 TASS—France performed the sixth nuclear explosion this year on Monday on the Mururoa Atoll in French Polynesia, the French PRESSE News Agency reports, referring to the Defence Ministry.

The power of the explosive device reached 50 kilotons.

The previous explosion, 5 times less powerful, was performed on July 5 this year. The present testing is probably the last one this year, for France has decided to cut the number of explosions from 8 to 6 a year.

Defense Ministry Reports Test

LD1607205191 Moscow TASS International Service in Russian 1646 GMT 16 Jul 91

[Text] Moscow, 16 Jul (TASS)—A USSR Defense Ministry press center report circulated today says that on 15 July, the sixth subterranean nuclear explosion this year was carried out at the French Pacific test site (Mururoa Atoll). The explosion was carried out with a view to perfecting nuclear weapons.

Thus, the report says, the nuclear powers have this year carried out nine nuclear tests. Three explosions were carried out in the United States. No nuclear explosions have been carried out in the USSR this year.

Government Backs Arms Trade Controls

OW1507114491 Moscow INTERFAX in English 1200 GMT 12 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] Proposals tabled by the USSR had a significant bearing on the results of this week's meeting of the five permanent UN Security Council members in Paris, called to discuss the question of implementing controls on arms trading. These latest proposals follow on from recent moves by Moscow to limit its own arms exports.

A military specialist from the Soviet Foreign Ministry pointed out that, as early as 1985, in his response to the Rome Club, President Gorbachev had backed measures to place restrictions on military exports. In 1988, a UN resolution called for an investigation into the possibility of making all arms deals subject to open scrutiny.

On August 14 last year, the then Foreign Minister Eduard Shevardnadze sent a letter to the UN Secretary General outlining Soviet proposals for limiting arms deals. These proposals included the setting up of a UN register which would record all arms transactions. The Foreign Ministry specialist says that the USSR stands firmly behind these proposals today when, in the light of the Gulf War, the question of arms trading has become more urgent than ever.

Vienna Talks on Confidence-Building Measures End

LD1507223291 Moscow TASS International Service in Russian 1552 GMT 15 Jul 91

[By Vladimir Smelov]

[Excerpts] Vienna, 15 Jul (TASS)—The results of the fourth session of the new stage of Vienna talks on confidence building measures and security in Europe, which ended here today, could hardly be called impressive. [passage omitted]

The situation which is emerging at the talks is rather serious, Oleg Grinevskiy, the head of the Soviet delegation, said in his conversation with the TASS correspondent. A question arises whether some partners of ours think that the talks have exhausted themselves. He believes that if a radical change is not taking place in the course of the next session, then the participants in the forum on confidence building measures and security in Europe might come to the forthcoming summit in Helsinki empty-handed.

Gorbachev Leaves for G-7 Conference

Departs Moscow for London

LD1607201991 Moscow TASS in English 1620 GMT 16 Jul 91

[Text] Moscow July 16 TASS—Soviet President Mikhail Gorbachev left Moscow for London today to meet leaders of the world's seven major industrialized countries.

At Vnukovo Airport Gorbachev was seen off by Vice President Gennadiy Yanayev, chairman of the USSR Supreme Soviet Anatoliy Lukyanov, Prime Minister Valentin Pavlov, Deputy General Secretary of the CPSU Central Committee Vladimir Ivashko, members of the USSR Security Council, and other officials.

The president is accompanied by members of the Soviet delegation.

Arrives in London

LD1607203691 Moscow TASS in English 2028 GMT 16 Jul 91

[Text] London July 16 TASS—Soviet President Mikhail Gorbachev arrived here today. In London, Gorbachev is expected to meet the leaders of the G-7 group of industrialised nations.

At London's Heathrow Airport, Gorbachev was welcomed by British and Soviet officials, including British Secretary of State for the Home Department Kenneth Baker, the Queen's representative Lord Astor, Soviet First Deputy Prime Minister Vladimir Shcherbakov, Soviet Security Council Member Yevgeniy Primakov, British Ambassador to the Soviet Union Rodric Braithwaite and Soviet Ambassador to Britain Leonid Zamyatin.

Major Awaiting Meeting

LD1607215591 Moscow All-Union Radio First Program Radio-1 Network in Russian 1900 GMT 16 Jul 91

[Text] UK Prime Minister John Major sent a letter to USSR President Mikhail Gorbachev today in which he notes that he is impatiently awaiting the forthcoming talks in London. I share your aim of working jointly to integrate the USSR, which possesses rich human and natural resources, more deeply into the world economic system, writes Major. I am convinced that this principle will be the leading one at the forthcoming meeting tomorrow.

17 Jul Itinerary Detailed

LD1607214891 Moscow All-Union Radio Mayak Network in Russian 2100 GMT 16 Jul 91

[Text] The G-7 meeting is drawing to an end in London, where President Gorbachev arrived late last night [16 July]. It is presumed that in the morning Mikhail Sergeyevich will have meetings with Mitterrand, president of France; Kaifu, prime minister of Japan; and U.S. President Bush. After this a short press-conference will be held, and then the USSR president will speak to the leaders of seven major countries in the West. After this a joint press-conference with Mikhail Sergeyevich Gorbachev and British Prime Minister Major is expected.

G-7 Schedule Detailed for 17 Jul

LD1707080691 Moscow All-Union Radio Mayak Network in Russian 0700 GMT 17 Jul 91

[Text] Let me remind you that the so-called G-7 meeting is taking place in London and Mikhail Sergeyevich Gorbachev is taking part in its work. According to our information, in approximately one hour, in other words at 1100 he will have a meeting with French President Francois Mitterrand. This will be a working breakfast at the Soviet Embassy. Then at 1345 Japanese Prime Minister Toshiki Kaifu will arrive for a conversation with the Soviet president, and at 1450, Mikhail Sergeyevich will leave the Soviet Embassy for the residence of the U.S. ambassador where at 1500 he will meet President George Bush. Later, in the afternoon, he will address heads of the leading industrial powers and a news conference will be held. I expect that we will report on the details both in the afternoon Panorama program and in the evening Mayak bulletins.

Diplomat Previews London Visit

OW1607061091 Moscow INTERFAX in English 1200 GMT 15 Jul 91

["Diplomatic Panorama" report by Petr Vasilyev: "What President Gorbachev Will Say in London? The West Will Hear a New Word, says Soviet diplomat"; transmitted by KYODO]

[Text] A senior Soviet diplomat who requested anonymity told DP [Diplomatic Panorama] that emphasis in the Soviet president's address in London will be on the analysis of the Soviet economic situation and of the Soviet economic prospects. "President Gorbachev's address will be geared to the interests of Western countries willing to know more about the economic measures being undertaken in the country and those planned for the nearest future," he said.

Gorbachev's address will highlight the measures and steps the Soviet Union is going to undertake en route to a market economy, including: an anticrisis programme, the Soviet foreign debt situation, privatisation, ruble convertibility, land reform, etc.

According to the USSR Foreign Ministry source, the keynote to the Soviet president's address will be "giving the G-7 a picture of our economic situation and of what we are planning to do." It is no secret, he said, that the West is first of all interested in the prospects, i.e., in how much headway we will be making toward a market economy.

The Soviet president's address will not take the form of a specific plan on the model of "Yavlinskiy's plan" that lays down a schedule of what and when should be done. It offers a broader analysis of where "we are now and what can be expected in the future," said the Soviet diplomat.

He also said that the president will raise a number of outstanding problems, for example, priority measures, including adjustments to be made to Soviet legislation. Schedules may be laid down in some cases. For example, dealing with the privatisation scheme, the president will disclose which percentage of Soviet enterprises will have been privatized by the end of 1992 and which will privatized in the immediate future.

According to the diplomat, "the usefulness of Western-Soviet cooperation will be emphasized" on the number of the above lines.

Regrettably, if anything, our legislative mechanisms have so far been hindering cooperation and have been forcing Western partners to assume a wait-and-see policy. The diplomat noted in this connection that the President Gorbachev plans to give the G-7 quite a detailed account of what we will "do in the nearest future to provide guarantees for setting the right climate for foreign companies to operate in." The West will hear "a new word," namely "which legislative acts are in the works, which will be passed in the nearest future and what incentives it is planned to create for foreign businessmen," said the diplomat.

Assessing the significance of the forthcoming function, the diplomat said that Gorbachev's London address would become "a first step" toward cooperation with the G-7. "It would be very useful for our country with its potential to begin the discussion and resolution of global problems of economic development. Viewed from this angle, London will begin our cooperation." According to him, joint research leading to expanding cooperation is possible at the early stage.

Meeting With G-7 Leaders Previewed

PM1607225591 Moscow PRAVDA in Russian 17 Jul 91 Second Edition pp 1, 5

[By A. Karpychev, T. Kolesnichenko, and A. Lyutyy: "'Seven Plus One'—For the First Time in History. What Gorbachev Is Bringing"]

[Excerpts] London—It is better to be rich and healthy than poor and sick. This far from new truism comes to mind when you observe the sort of scale on which the current meeting of leaders of the world's seven leading industrial countries has been organized. [passage omitted]

The USSR president's conversation with the leaders of the seven will take place behind closed doors: Journalists will not be present at Lancaster House. What kind of atmosphere the dialogue will take place in, how the participants will assess M.S. Gorbachev's plan, what might follow this event—we will find out later, including at a news conference by our leader. For the time being, answering the question so frequently asked by our colleagues—"What is Gorbachev going with?"—we will note two facts. First, the president is coming with a solid mandate, with parting words and support from the leaders of nine Union republics. He will bring here the accord worked out at Novo-Ogarevo. This is no small thing: In the person of their interlocutor the seven have a leader invested with trust. Second, Gorbachev will bring a specific action plan containing ideas worked out by our economists, the government, and himself.

At a news conference at the Soviet Embassy V. Shcherbakov, USSR first deputy prime minister, talked about certain aspects of the plan. It suggests, for example, the West's assistance in switching around 400 defense enterprises to peaceful commercial production, and that in the long term up to 80 percent of all military plants should be drawn into conversion. Furthermore, within the framework of measures to achieve internal convertibility of the ruble it is essential to create a stabilization fund. According to estimates by Soviet experts, around $10-$12 billion are needed for this. The West's help is extremely desirable here. "Commodity intervention" would also help to alleviate the side effects during the liberalization of prices. Joint projects in the sphere of modernizing and retooling our energy complex are also possible. These projects, incidentally, are actually beneficial to the West, which is troubled by instability in the oil market.

Thus, it is clear even now that the president will not come here cap in hand. And nobody, as was noted at the same news conference, is relying on taking a limousine stuffed with money away from London. Gorbachev is not a supplicant. But at the same time we too must realize that members of the seven are not filled with the magnanimity of philanthropy. In order to help us, the West must have a practical interest. The main object is that we ourselves realize this interest. It is time, finally, to understand that nobody will really help us, only we can help ourselves.

Gorbachev's mission does not promise to be easy. The responsibility on his shoulders is great. All the days of his visit are crammed to the limit with meetings with leaders of the seven.

But the USSR president's mission has every chance of being successful, if understanding and confidence are shown by both sides. Without these, building a new world order is impossible.

Two main documents of the seven's conference were publicized at the meeting's press center—a political declaration entitled "Strengthening International Order," and a declaration regarding disarmament problems.

The political declaration broaches a wide spectrum of questions currently troubling the world which the seven

have already discussed. Point 12 of the document concerns the Soviet Union. In it the leaders of the seven leading industrialized countries stated that they continue to support the process of fundamental reforms in the USSR in the most active way. As regards specific assistance from the seven in solving our economic problems, according to the statement at the news conference by British Foreign Secretary Douglas Hurd, a decision on granting massive financial aid to the USSR is not to be expected, but technical assistance will be offered. In Hurd's opinion, this is precisely what Moscow needs right now.

Strictly speaking, this is the formula which is the foundation of the seven's position, which was coordinated right before the meeting with the USSR president. Whether events will go precisely according to this scenario, we will see.

Prospects for Success With G-7

OW1707051491 Moscow INTERFAX in English 1230 GMT 16 Jul 91

["Diplomatic Panorama" report by Andrey Kortunov: "What Could Be Viewed as Success Scored by Gorbachev in London?"; transmitted via KYODO]

[Text] Much has been said and written about the fact that the opportunity to receive substantial financial infusions from abroad are extremely limited for the USSR. The hopes that the seven [G- 7] are allegedly capable of granting 20, 50 or 100 billion dollars to Moscow have no serious foundations. And if the Soviet President's ability to get credits worth of millions of dollars from the West is to be considered as the main criterion of his success, his trip, one can say, is doomed to failure.

In the world there are 3 major potential sources of financing the Soviet economy: Japan, Germany and the U.S. Japan has never played the role of "rich uncle" at the world's financial market, preferring to closely link the granting of credits to the exports of Japanese goods. Mikhail Gorbachev's recent trip to Tokyo also confirmed the obvious fact that it's hard to expect a boom in Soviet-Japanese economic ties without settling political problems. Moreover, according to recent reports, Japanese banks have decided to stop giving the Soviet Union fresh credits because of weak guarantees for the repayment of old loans.

Germany has invested in the Soviet economy more than anyone else. But for Germany the economic modernization of the former GDR requiring billions of marks is of primary importance. According to forecasts, this year Germany will be a pure importer of capital and end the year with a balance-of-payments deficit. The post-socialism countries of Eastern Europe also expect financial aid from the Germans. Besides, following the Soviet Union's transfer of several big building contracts financed by Bonn to Finnish and Turkish companies, Germany's willingness to grant Moscow fresh credits might diminish.

Finally, considering the complex economic situation in America itself and instability in its domestic financial system, the hopes of getting money from the U.S. look ungrounded. Washington has yet to pay the bills for the Gulf war. Besides, its political dialogue with the USSR in the past few months, in particular problems concerning the Treaty of Paris and the failures to conclude the treaty on strategic offensive weapons, are not conducive to making America generous.

Some prospects for attracting foreign capital to the USSR might be connected with the newly industrialized countries of East Asia. However, according to estimates, their potential of exporting capital doesn't exceed 10 or 15 billion dollars annually.

The demand for capital in the world is extremely great now, and opportunities for investing money profitably in America, Europe and Asia are quite considerable. As for the Soviet Union, it has to prove yet its ability to compete for potential investors.

Besides, the circumstance that the meetings of the Big Seven are purely consultative is to be taken into account. They aim largely to coordinate a more or less unified policy which consequently is carried out through different international organizations and institutions, and gets implemented through mechanisms belonging to the economic policy of the countries participants.

In my view, for the Soviet President it would be desirable to leave the issue of granting his country extensive aid open. What is important is not to receive a negative reply and try to pave the way for reverting to this issue under more favorable circumstances, first of all when the country works out a unified plan for economic reforms enjoying broad public support.

Evidently what should be viewed as the main criterion of Gorbachev's success in London is the extent of his country's rapprochement with the world economic community, not the number of dollars he manages to bargain.

But even in this area the sense of realism shoudl not be lost. The turning of the Big Seven meeting into a meeting of Big Eight would have been a real triumph for Gorbachev, of course. But so far the Soviet Union is not ready to be a full fledged participant in settling issues traditionally discussed at these economic summits, since its impact on the world economy is too low, since its economic mechanism differs too greatly from the market systems of the 7 leading industrialized countries.

Evidently what could be considered as Gorbachev's success is the West's informal consent to let the USSR

join the subsequent meetings of the Big Seven accompanied by Moscow's joining the work of the biggest international economic organizations: the International Monetary Fund and the Organization of Economic Cooperation and Development.

Further on Gorbachev Visit

WA1707143691

For Western European media reportage on the visit by USSR President Mikhail Gorbachev to London to attend the World Economic Summit see the International Affairs section of the 16 July West Europe DAILY REPORT and subsequent issues.

G-7 Declaration on Arms Issues, Nonproliferation

LD1607183791 Moscow TASS in English 1818 GMT 16 Jul 91

[By Sergey Sosnovsky, Andrey Fedyashin, and Viktor Khrekov]

[Text] London July 16 TASS—Leaders of the Group of Seven countries today called for strengthening the regime of non-proliferation of nuclear, biological and chemical weapons as well as adopting specific measures to restrict arms sales. In a "Declaration on Conventional Arms Transfers and NBC [nuclear, biological, chemical] Non-Proliferation" the delegations said the responsibility rested with both arms suppliers and recipient countries as well as with the international community as a whole. In the field of conventional arms exports they proposed applying three principles: "transparency, consultation, and action."

The first principle provides for greater openness about international deals involving conventional weapons. As a concrete step in this direction the declaration proposes "a universal register of arms transfers under the auspices of the United Nations." It will receive information on a regular basis on all transfers of this type.

The principle of consultation is based on discussions between all leading arms exporters "with the aim of agreeing on a common approach" to conventional arms trade.

The principle of action provides for specific steps "to prevent the building up of disproportionate arsenals."

The document especially stresses the need for "moderation in the level of military expenditure," especially for developing countries.

The G-7 leaders again urged Iraq to abide by Security Council Resolution 687 and destroy, remove, or render harmless its nuclear, biological, and chemical warfare and missile capabilities as well as to agree to international verification and long-term monitoring.

The participants in the meeting reaffirmed their will to work to establish consensus in favour of "equitable and stable non-proliferation regime, based on a balance between nuclear non-proliferation and the development of peaceful uses of nuclear energy."

They reaffirmed the importance of the Nuclear Non-Proliferation Treaty and called on all other non-signatory states to subscribe to this agreement. The G-7 leaders pointed to the need for all non-nuclear countries to meet IAEA [International Atomic Energy Agency] nuclear safeguards.

The document confirms the common desire to maintain and reinforce the NPT [Nuclear Nonproliferation Treaty] regime beyond 1995. It also points out that "our aim is a total and effective ban on chemical and biological weapons", support for the elaboration of a strong, comprehensive, and effectively verifiable convention banning chemical weapons.

Reportage on Primakov's Visit to London

WA1607152191

For Western European reportage on the visit by special envoy Yevgeniy Primakov to London to attend the World Economic Summit see the International Affairs section of the 15 July West Europe DAILY REPORT and subsequent issues.

Financial Experts Dissatisfied With Reforms

OW1507122291 Moscow INTERFAX in English 1500 GMT 12 Jul 91

[Transmitted via KYODO]

[Text] Friday evening the leaders of the World Bank for Reconstruction and Development (WBRD), International Monetary Fund (IMF), Organization for Economic Cooperation and Development (OECD), and European Bank for Reconstruction and Development (EBRD) are to receive reports from their experts with an analysis of the course of reforms in the Soviet economy. These will serve as the basis for recommendations to be given by the four international organizations to the leaders of the Big Seven who will meet with Mikhail Gorbachev in London.

"The experts are not satisfied with the state of affairs in the USSR," IF's [INTERFAX] correspondent was told by Sergey Aleksashenko who, in the capacity of an independent economic expert, took part in a special seminar conducted earlier this week by the Soviet Foreign Ministry's Department of International Economic Relations for the heads of analytical groups from the WBRD, IMF, OECD and EBRD. The Soviet side was represented at the seminar by some presidential advisers and officials from the Finance Ministry, Economics Ministry, State Bank, Ministry for Foreign Economic Relations and other organizations.

After the seminar its foreign participants told S. Aleksashenko that they did not see the Soviet government's readiness to carry out economic reforms. Besides,

they were amazed by the low professional level of government officials who seemed to fail to understand well enough what they want to receive in economic terms. Foreign experts are largely concerned over the lack of agreements between republics as to the forming of unified monetary, tax and banking systems. Experts said: In the absence of such agreements in London you'll get nothing but vague promises.

Foreign Ministry Spokesman Gives Briefing

Maslyukov Visit to Malaysia, Indonesia

LD1607173991 Moscow TASS in English 1448 GMT 16 Jul 91

[By Konstantin Voitsekhovich and Mikhail Ivanov]

[Text] Moscow July 16 TASS—A Soviet Foreign Ministry spokesman briefed journalists in Moscow today on the programme of Yuriy Maslyukov's visit to Malaysia on July 18. Maslyukov, who is a deputy prime minister of the Soviet Union, will attend the opening ceremony at the annual conference of ASEAN foreign ministers and meet ASEAN foreign ministers.

Vitaliy Churkin described the USSR-ASEAN dialogue as a "landmark" in relations between the USSR and association member countries. "It is a logic consequence of our cooperation with each member country covering various fields. We hope that the USSR-ASEAN dialogue will help foster a new quality in Soviet relations with these countries, make a significant contribution to security, stability and cooperation in Southeast Asia and the Asia-Pacific region on the whole."

During his stay in Kuala Lumpur, Churkin continued, Maslyukov will meet the Malaysian prime minister, hold talks with a deputy prime minister and other leaders of the country. Maslyukov is expected to exchange views on the key issues of Soviet-Malaysian relations, urgent international and regional problems. Much attention will be given to bilateral trade and economic relations.

After Malaysia, Churkin added, the Soviet deputy prime minister will pay an official visit to Indonesia where he is expected to meet President Soeharto.

Bridge Plan for Great Belt Strait

LD1607174391 Moscow TASS in English 1518 GMT 16 Jul 91

[By Konstantin Voitsekhovich and Mikhail Ivanov]

[Text] Moscow July 16 TASS—Speaking at a briefing in Moscow today, a Soviet spokesman dwelt in detail on a conflict over Denmark's plans to build a bridge over the Great Belt Strait in the Baltic Sea. As is known, Finland took Denmark to the U.N. International Court over its plans to build the bridge.

According to the Soviet side, an important aspect of this question is the applicability of generally recognised international law norms. The Great Belt Strait is a key international strait connecting the Baltic Sea with the Atlantic Ocean. "The unimpeded passage through this strait is a norm of international law, mandatory for all states," he said.

Naturally, the construction of a bridge will seriously restrict the passage of vessels and devices higher than 65 metres, unless it is a drawbridge and takes account of the requirements of international shipping, which the current plans of the Danish side do not envisage.

The unequivocal observance of the requirements of international law on the unimpeded passage of vessels through international straits, Churkin said, require such a solution of the issue that would not impede the passage through the strait of tall vessels and devices of new type.

"This question is not an ordinary one and needs to be carefully studied," he added.

Japanese Delegation's Visit

LD1607150491 Moscow TASS in English 1430 GMT 16 Jul 91

[By Konstantin Voytsekhovich and Mikhail Ivanov]

[Text] Moscow July 16 TASS—A high-powered business delegation from Japan will visit the Soviet Union between July 16-25 to study the possible participation by Japanese firms in converting Soviet defence industry to civilian production. This statement was made by Soviet Foreign Ministry Spokesman Vitaliy Churkin at a briefing today.

During its stay in the Soviet Union, Churkin said, the delegation plans to visit several enterprises that consider switching over to civilian production and get acquainted with the Soviet conversion programme in order to draft a report for the Japanese leadership.

"The above trip," Churkin said, "is carried out with support of the Japanese government. The delegation will include a representative of the Ministry of International Trade and Industry. It is also significant that the U.S. Administration displays interest in the success of this mission, which is evidenced by two Americans from the State Department and the Department of Defence who also take part in it."

Middle East, G-7 Summit, RSA

LD1607153791 Moscow TASS International Service in Russian 1430 GMT 16 Jul 91

[By Konstantin Voytsekovich and Mikhail Ivanov]

[Excerpt] Moscow, 16 Jul—(TASS) [passage omitted] Replying to a question concerning the Soviet Union's participation in the process of a Middle East settlement, Vitaliy Churkin reported that Soviet Foreign Minister Aleksandr Bessmertnykh had "another trip to the Middle East" among his plans.

Concerning the forthcoming talks between President Mikhail Gorbachev and the leaders of the memoer countries of the G-7 conference in London, the USSR Foreign Ministry spokesman stated that he "could not understand" the pessimism being expressed by a number of British commentators on this meeting. The Soviet side is convinced that the meeting "will be very important and will become a major international event," he stressed.

Vitaliy Churkin gave a positive assessment of the RSA joining the nonproliferation of nuclear weapons treaty—the most wide-ranging international agreement in the field of arms limitation. In this case, he stressed, a country has joined the treaty that possesses the potential for producing nuclear weapons. "It can be stated with satisfaction," he said, "that there is in Pretoria a growing feeling of involvement in problems concerning the fate of the whole of mankind. Along with further implementation of the line toward dismantling apartheid, this will promote the re'ntegration of the RSA into the world community.

Rogachev's Views on Invitation to ASEAN Summit

LD1607192691 Moscow TASS in English 1852 GMT 16 Jul 91

[By Vasily Titov]

[Text] Moscow July 16 TASS—An invitation to the Soviet Union to attend a meeting of foreign ministers of the Association of South-Eastern Asian Nations [ASEAN] is the first step towards establishing a vigorous mutually advantageous dialogue between the USSR and this regional organisation. This comment was made by Soviet Deputy Foreign Minister Igor Rogachev, who is a member of the Soviet delegation that will attend the ASEAN meeting in Kuala Lumpur on July 19 as observers.

Rogachev said in a TASS interview that the Soviet Union highly evaluates the fact of the invitation. "There was a time when we had a biased view of ASEAN, considering it a military-political organisation, due to the ideological stereotypes that accumulated over years," he said. However the recent changes in the USSR, including its foreign policy, make it possible to take a more realistic view of the situation. ASEAN is viewed as one of the more viable regional organisations, which directs its main efforts at promoting the level of well-being of its member countries, their technological, social and cultural progress.

The Soviet delegation, Rogachev said, is going to use the forthcoming visit to familiarise the member countries with the Soviet approach to organising cooperation in the region, to tackling its acute economic and political problems, to strengthening peace and stability in the Asia-Pacific region as a whole.

For this purpose Soviet Deputy Prime Minister Yuriy Maslyukov will address the meeting. The beginning of rapprochement between the Soviet Union and ASEAN countries, Rogachev said in conclusion, will make it possible to look with optimism on possibility of establishing useful multilateral cooperation in the framework of this organisation.

UN Envoy on Integration Into World Economy

LD1607205791 Moscow TASS in English 1605 GMT 16 Jul 91

[By Boris Shabayev]

[Text] Geneva July 16 TASS—Bringing economic activities in compliance with the world practice and full-scale integration of the Soviet economy in the system of world economic ties have become key elements in the Soviet Union's domestic life, a Soviet official said today.

The Soviet Union's permanent representative at the U.N. Geneva office Yevgeniy Makeyev was addressing a session of the U.N. Economic and Social Council (ECOSOC) in Geneva.

The session is discussing the implementation of the declaration on international economic cooperation, passed by the 18th special session of the U.N. General Assembly.

Makeyev noted that the Soviet Union attaches great importance to implementing the document, which is a serious step towards forming principally new relations of partnership and universal interaction in the world economy."

Makeyev spoke about the Soviet Union's efforts aimed to introduce market relations. The union and republican parliaments have passed new laws laying the basis for a new open-type economy, he said.

The Soviet Union has considerably reformed its foreign economic relations. At the beginning of 1991, over 26,000 enterprises and organisations had the right to enter the foreign market independently, following demonopolisation of foreign trade.

The Soviet Union steadily follows another basic recommendation of the declaration, concerning cutting military spending to accelerate the development of the national economy and the world economy as a whole.

In 1991, Soviet military spending will be cut by 14.2 per cent, production of military equipment by 19.6 per cent and the number of armed forces by 500,000 people.

Some 430 enterprises [words indistinct] and over 200 scientific and research organisations and design bureaus in the military complex have been involved in conversion. By 1995, the share of defence spending in the national income will be cut by 33 per cent and production of civilian commodities will double.

Analyzing the implementation of the declaration, participants in the ECOSOC session noted that it reflected

radical changes in the world and allowed to switch from ideological confrontation to universal interaction in resolving global problems.

Shishlin Reflects on Demise of Eastern Bloc

PM1707091191 Moscow PRAVDA in Russian 8 Jul 91 Second Edition p 7

[By Nikolay Shishlin under "My Opinion" rubric: "Second Wind Will Come"]

[Text] CEMA was dissolved in Budapest 28 June at the last sitting in the organization's history, and the Warsaw Pact was dissolved in Prague 1 July by unanimous decision of high representatives of the participating states. CEMA existed for a little over 42 years and the Warsaw Pact for a little over 36 years. A relatively brief winding-up period is ahead, and the two collective organizations of former socialist countries will firmly move from active political life into history.

These events were expected. They were predetermined by the rapid process of renewal developing in the Soviet Union, by the wave of change that swept over central and East European countries, and by the appreciable warming of the political climate in Europe and the world. What was jointly decided in summer 1991 in Budapest and Prague is an organic part of a broad and multicolored picture in which funereal tones are far from predominant.

Honest biographies of both CEMA and the Warsaw Pact still have to be written. They will certainly not give off the usual whiff of unctuousness, and that is good. But it would be good if the powerful smell of tar did not overwhelm absolutely everything. Along with diktat, the most blatant miscalculations and mistakes, and routine, trivial assessments of the situations that arose, there was real mutual assistance and cooperation, sensible initiatives and actions. Although we will not close our eyes to the truth. CEMA and the Warsaw Pact were the fruits of regional isolationism, unrestrained confrontation, and doctrinaire thinking. And why hide it—the fruits of fear, almost the worst and most undesirable companion for politics and politicians.

What remains after the elimination of CEMA and the Warsaw Pact? A political desert and economic wilderness? Neither.

In saying farewell to the past we should not judge yesterday simplistically. I do not think that we are becoming more vulnerable or weaker because of the dismantling of bloc structures. To a great extent the Soviet Union bore their weight on its shoulders, although our neighbors' burden was also great. These structures distorted relations, compressed them into a narrow channel, and in a real way blocked the horizons for mutually advantageous uninhibited cooperation.

Our interdependence with former allies is not disappearing with the elimination of CEMA. Yes, we will still have to pay a price for past faults. Economic relations cannot be restructured overnight. For some time yet the Soviet Union is fated to export energy resources, timber, and other valuable raw materials to central and East European countries. And in turn we will acquire products we need from them, specifically consumer goods and food. The situation will change in time. Conversion in industry's military sectors will quite rapidly allow us to diversify exports and reinforce them with science-intensive, high technology products. Our countryside will not be flat on its back forever.

Talk of an economic wilderness is pointless. Moreover, we have a real chance of getting out of the deep ruts in which our national economy is stuck and at long last getting out onto a road along which we can advance surely and successfully. Good opportunities are opening up for purposefully and consistently improving the whole structure of our foreign trade. In short, everything will be as in the Indian proverb: "One door shuts and another door opens."

The foregoing also applies to political relations. We are living in a new world. Understanding of this fact does not come straightaway nor does it come to everyone. So far be it from me to reproach those who grieve over the winding up of the Warsaw Pact. It is a natural reaction. Over the years we have gotten used to playing the political piano one-handed from music written once and for all time. The repertoire of melodies was precisely limited. Everything outside the accustomed themes was considered to be the devil's work. That, however, is passing. We are learning, and learning successfully, to play with both hands, utilizing the whole keyboard of world politics. And this imparts a new and strong resonance to our foreign policy actions and conduct.

The reader is nevertheless entitled to ask whether the dissolution of the Warsaw Pact and CEMA is a loss or gain. I will reply bluntly: Nobody questions the need for good relations with neighbors. And I venture to suggest that the winding up of our joint military-political and economic organizations is actually a useful and justified step toward new, well balanced mutual ties in the eastern part of Europe. This creates the prerequisites for a second wind as far as our mutual relations with former allies are concerned. It is these mutual relations, which are an organic part of the all-European process, that are highly essential for our own future in Europe.

The Soviet Union and central and East Europe are not an archipelago cordoned off from other parts of the world by visible and invisible barriers. Our countries are being released from the torpor of the past. We are developing a realistic understanding of who we are, who is with us, and where we must go. In a fragile transitional period, conscience prompts honest people toward actions in the name of supporting the strategy of rebirth inspired by the ideals of freedom, economic prosperity, and morality. This strategy contains hope for our country, a better tomorrow for it, and, of course, a better tomorrow for the world.

I write this in the knowledge that very soon the USSR president will be heading for London for a meeting with the seven, i.e., with the leaders of the seven most developed industrial countries. Many contradictory opinions are being expressed in connection with this meeting both at home and abroad. All sorts of things are being said, but it is striking that there is no worthwhile assessment of the very format of this meeting between the Soviet leader and the leaders of Western countries. There is no grasp of the depth of the changes that have already taken place in our relations. There is no full comprehension of how far we and the world have advanced in building a new world order.

Yes, in London Gorbachev will be talking about the directions in which radical Soviet reforms will develop in all spheres. I am convinced that Gorbachev will not retouch the picture of the crisis being experienced by our society, which is renewing itself. I do not doubt that Gorbachev will paint the Soviet vision of the potential for cooperation fully and frankly.

However, it would be a delusion to believe that the Soviet leader will appear in the role of supplicant. Gorbachev's assets are appreciable and great. For all the turmoil in our internal life, for all the swinging of the political pendulum, the country has left the past and has no way back there. Neither in domestic nor international affairs. And that is imperishable capital.

The USSR's new relations with its neighbors from central and East Europe which are being built before the whole world's eyes are also an asset. With the dissolution of CEMA and the Warsaw Pact, as has already been said, the field for cooperation and collaboration among former participants in these organizations is not disappearing. It will be sown and sown again, metaphorically speaking, by modern technology on a strictly voluntary and equal basis. I believe that the results will be far better than before.

The most essential thing that the president's trip to London can now give is a second, deeper and more even wind to all the policies of the new political thinking. When the dawn of the new philosophy of peace had only just begun in 1985, there was no more urgent task than to get away from the edge of the nuclear abyss. That was achieved. Now what is coming increasingly to the fore is a task that is, even if less dramatic, just as large-scale and labor-intensive—to strengthen bridges wherever they have existed, to build new bridges where there have been none, and to provide scope for good joint affairs between East and West, North and South.

In his Nobel lecture Mikhail Gorbachev accurately said: "Peace now presupposes an ascent from simple coexistence to cooperation and cocreation between countries and peoples.

"Peace is a movement toward the generality and universality of civilization. Never before has the truism about the indivisibility of peace been as right as it is now.

"Peace is not a unique image but unity in the diversity, comparison, and harmonization of differences."

There is a word to "harness together." Pierre Bezukhov discovered it for himself with inner delight, dozing in a cart at the coaching inn after the carnage at Borodino. It was like a revelation, like finding the truth. The reader knows that this is how the riding master's words "we must harness up," with which he woke his excellency, changed in the consciousness of Tolstoy's hero.

I venture to suggest that we have already harnessed up, we are moving. And it is time to harness together, to go toward concord in our great country and in relations with neighbors near and far. Such is the demand of the time on us, on those who will assemble in London in mid-July, and on all countries without exception.

This demand will be heard—a new quality of international relations will come about. Humanity will be the winners.

United States & Canada

Foreign Ministry on Bessmertnykh Talks

OW1707012591 Moscow INTERFAX in English 1230 GMT 16 Jul 91

["Diplomatic Panorama" report by Mikhail Mayorov and Igor Porshnev: "What A. Bessmertnykh's Talks in Washington Ended"; transmitted by KYODO]

[Text] In connection with talks held by the Soviet foreign minister Alexander Bessmertnykh in Washington DP's ["Diplomatic Panorama"] correspondents tried to claify the outcome of discussions on some issues.

The treaty on strategic offensive weapons:

Virtually all issues connected with the treaty whose drafting has been going on for as long as 9 years now were resolved, and the technicalities that remain to be settled belong to the competence of experts, not foreign ministers or presidents. This information was given by the Foreign Ministry's arms control and disarmament department. A military expert connected with the Soviet-American talks on strategic offensive weapons going on in Geneva said: "It's a matter of technicality to decide how to count the pay load of a new missile to compare it with the old one". The problem is how to standardize these quantities to make them comparable.

The military expert believes that in political terms all the issues connected with drafting the treaty on strategic offensive weapons have already been resolved. This doesn't mean however that the two sides will no longer encounter any difficulties. For instance, an agreement was reached in Washington that the missile whose pay load surpasses that of its predecessor by 21 or more per cent is considered new. And what if the weight of the preceding missile is indicated for one range, and that of the new missile for another? As the Soviet military expert noted in this connection, the terms the calculations are made on should also be stipulated.

The Middle East:

As A. Bessmertnykh said in Washington, efforts taken lately by the Soviet Union and by the U.S. stimulated movement in the direction of a settlement in the Middle East.

According to a prominent official from the Soviet Foreign Ministry's Middle East and North Africa department, at present Soviet and American diplomacy continue their endeavours with a view to establishing a peace process. Witness the report that Syria's President Hafiz al-Asad sent a message to President George Bush, expressing willingness to accept the proposal to conduct a peace conference. According to the diplomat, a positive answer from Israel to a similar appeal by the U.S. President would be important.

As for Soviet diplomacy, according to the Soviet Foreign Ministry official, it persists in its efforts aimed at starting a peace process in the framework of a conference on a settlement in the Middle East as soon as possible.

The diplomat doesn't rule out that a settlement in the Middle East might come under discussion at the proposed Soviet-American summit in Moscow. This is one of the biggest regional problems the Soviet Union and the U.S. conduct a continuous dialogue on. The plans for a peace conference involve cooperation and interaction between Moscow and Washington, he said.

Iraq:

According to the Soviet Foreign Ministry's department on the U.S. and Canada, the Iraqi problem was discussed in connection with resistance put up by Baghdad to the international inspection of its nuclear facilities. Evidently the U.S. and some of its coalition partners are in a very resolute mood. They threaten to launch strikes on those Iraqi objectives which they believe to be connected with the implementation of Iraq's nuclear program. Being on the whole in favor of inducing Baghdad to honour Resolution 687 adopted by the U.N. Security Council, the Soviet Union nevertheless believes that there is no point in going so far as new military strikes. It will give no support to the U.S. in this respect.

Afghanistan:

The USSR has been exchanging views with the U.S. on the possibility of ceasing arms shipments to the conflicting sides. Moscow is willing to take this step if the armed opposition in Afghanistan stops combat actions. The U.S. also seems to be inclined toward ceasing its support for the mujahedin through arms supplies. But, while the USSR and the U.S. came to understanding in regard to this issue, the question arises as to how the other suppliers of arms, primarily Saudi Arabia and Pakistan, will behave. Judging by information Moscow gets from Washington, Islamabad is also prepared in principle to stop military exports to Afghanistan. But this cannot be said about Saudi Arabia. The USSR and the U.S. are conducting corresponding consultations with Pakistan and Saudi Arabia. According to the U.S., there are some changes in the stand taken by Riyadh. As soon as Pakistan and Saudi Arabia really decide to put an end to all this, the USSR, upon an agreement with Kabul, will decide to stop its arms supplies.

Bilateral relations:

The Soviet Foreign Ministry has confirmed that the USSR and the U.S. succeeded in concluding their work on 5 bilateral agreements. Work is in progress on another 6. These include 2 agreements the Foreign Ministry believes to belong to the economic area: a tax convention and a protocol on optional technical cooperation.

Baker Cited on Possible Shape of G-7 Support

PM1507145991 Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 1

[TASS report under the general heading "United States: Support for Our Reforms"]

[Text] U.S. Secretary of State Baker said at a briefing in the White House that the economic summit conference in London was taking place at an "exceptionally important time for the development of the global economy and world political order." "We will be discussing the evolving situation in the Soviet Union and steps we can take to support the economic and political reform in the Soviet Union," he said, in particular. "We and our 'big seven' partners are dedicated to supporting successful economic and political reform in the USSR. The question is how best to support this reform. This will certainly be at the center of the debate at the meeting between the 'seven' and President Gorbachev."

I believe, Baker said, that we appreciate the seriousness of the situation. Although we are optimistic about some of the steps recently taken by the Soviets to promote private ownership and foreign capital investments, our view is that much more still needs to be done. For us and for our Western allies the only decision that inspires confidence is the fact that the Soviet leadership is to say yes to a genuinely free market and actually do what it says it will do.

Baker outlined a "package of measures" which the United States and its allies in the West can implement to support the USSR's efforts to reform the country. He mentioned a "special association" with the IMF and World Bank in order to give assistance in drawing up and implementing a plan for serious economic reforms in the USSR; a combined state and private plan to eliminate obstacles in the way of the flow of private investments into the energy sector, as a result of which the USSR could earn hard currency; mutual efforts to improve the food distribution system in the country; conversion of military production; and expansion of technical cooperation, including economic education and freer trade.

Brady on Aid, MFN Status For USSR

PM1507151391 Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 1

[TASS report under the general heading "United States: Support For Our Reforms"]

[Text] U.S. Secretary of the Treasury Brady stressed at a White House briefing that the economic situation in the USSR, with which all the members of the "seven" are familar, will be discussed in detail at the economic summit conference in London. He said that according to statements by the leaders of the USSR and the "big seven" countries, President M.S. Gorbachev will not go to London with a request for the "big pile of gold implied by the idea of the 'grand bargain'" proposed by the group of Harvard and Soviet economists. According to him, the "representatives of Western democracies at the meeting would not be prepared to regard this path as contributing to the advancement of reforms in the USSR at this time."

Brady noted that the time for granting the USSR Most Favored Nation status in trade is "very close" and the matter is being actively studied by Carla Hills, the U.S. President's special representative at international trade talks. "The President very definitely wants the question to be positively resolved," Brady stressed.

The U.S. secretary of the treasury was asked about the U.S. position regarding FRG Chancellor Kohl's intention to urge the "seven" to grant the USSR special status in the IMF and the World Bank. "The United States reacted very well to this," he noted, "regarding the idea as President Bush's original proposal." According to Brady, the establishment of a "special relationship" between the USSR and the IMF will be "the chief or one of the chief results" of the London summit.

Soviet-U.S. Power Engineering Forum Meets

LD1107215391 Moscow TASS International Service in Russian 1405 GMT 11 Jul 91

[By diplomatic correspondent Rostislav Gertsev]

[Text] Moscow, 11 Jul (TASS) A Soviet-U.S. round table on the issues of power engineering is finishing its work in Moscow today. This meeting is being held on the joint initiative and under the auspices of the USSR Foreign Ministry and the u.s. state Department. Its purpose is to give assistance to Soviet and U.S. companies in developing oil and gas deposits in various republics of the USSR.

The U.S. delegation, which is represented not only by state structures, but also by private companies (Amoco, Arco, Exxon, Dresser and others), is headed by Eugene McAllister, assistant secretary for economic and business affairs, U.S. State Department. On the Soviet side, apart from the Union ministries, organizations and departments, representatives of Russia, Azerbaijan, Kazakhstan, Tajikistan and Tyumen Oblast (Siberia), are also taking part in the work of the round table. Ernest Obminskiy, USSR deputy foreign minister, is head of the delegation.

Joint search for opportunities for overcoming difficulties which stand in the way of broadening cooperation between the two countries in the field of power engineering, formed the main subject of the meeting. At the roundtable, issues of state control and responsibilities of the government, operational and legal issues, currency regulations and banking practice were discussed.

Tomorrow Eugene McAllister is expected to meet with the deputies of the USSR Supreme Soviet committes on industry and power engineering as well as on economic

reform. On the same day, he will be received by Lev Churilov, USSR minister of oil and gas industry.

China

Dalai Lama Continues Visit

Meeting With Officials Canceled

OW1607020191 Moscow INTERFAX in English 1500 GMT 15 Jul 91

[Transmitted via KYODO]

[Text] The sole scheduled official reception of the Buddhist leader at the Council of Ministers of Buryatia is reported to have been cancelled, apparently due to China's negative reaction to the visit Dalai Lama XIV is paying to the Soviet Union and his participation in celebrations on the occasion of the 250th anniversary of the recognition of Buddhism in Russia. Dalai Lama, who is making a private tour of the Soviet Union, has become one of the central figures at festivities in Buryatia. During a prayer at the central stadium in Ulan-Ude, telecast by the local TV station, Dalai-Lama said that in this troubled age, which has brought people great suffering and hardship, religions of the world must cooperate in order to help solve problems.

Holds Religious Service

OW1607090691 Moscow INTERFAX in English 0930 GMT 15 Jul 91

[Transmitted via KYODO]

[Text] On Monday head of the world Buddhist leader Nobel Prize winner Dalai Lama XIV held holiday services, hural Maidari, at the Ivolginsk datsan.

The Dalai Lama XIV's stay in Buryatia is in its second day. On Sunday some 20,000 Buddhists, including many from Southeast Asia, received the Dalai Lama's blessings in Ulan Ude on Sunday.

At around 13:00 Moscow time on Monday the Buddhist communist will hold an function dedicated to the 250th anniversary of the recognition of Buddhism in Russia. The Dalai-Lama's address is on the programme.

Visit Analyzed

OW1607065691 Moscow INTERFAX in English 1200 GMT 15 Jul 91

["Diplomatic Panorama" report by diplomatic correspondent Igor Porshev: "Dalai Lama's Visit To The Soviet Union Is Informal"; transmitted via KYODO]

[Text] Officials of the Chief Religious Directorate of Soviet Buddhists say the spiritual leader of Buddhists, His Holiness Dalai Lama will end his visit to the Soviet Union on July 30, a day earlier than expected. His Holiness who is here on the invitation by Soviet Buddhists is now in the capital of Buryatia, Ulan Ude, to take part in the jubilations marking 250 years since Buddhism was formally recognised in Russia.

Dalai Lama on Sunday met with worshippers at Ulan Ude's central stadium. He is due to go for a three day prayer session to Ivolga monastery. Dalai Lama will stay in Ulan Ude until July 19. He will then visit Aginsk monastery near Chita (between July 18 and 23) and the capital of Kalmykiya, Elista (July 25-30).

For well-known reasons, Dalai Lama's visit to the Soviet Union is of clearly informal nature. However, his itinerary also provides for meetings with leaders of Buryativa (July 18) and Kalmykiya (July 27 and 28). But directorate officials say it is still unclear whether these will take place at all.

Other sources said Dalai Lama was originally planning a visit to Mongolia after ending trip to the Soviet Union. However, his visit to Mongolia where Buddhism is preached traditionally will not be held because of Mongolia's fear of straining relations with next door China.

Irkutsk-Shenyang Air Route Opens

PM1507154591 Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 1

[From IZVESTIYA, TASS, POSTFACTUM, REUTER, and UPI roundup: "Irkutsk-Shenyang Air Link"]

[Text] A new Irkutsk-Shenyang air service has opened, IZVESTIYA correspondent V. Reshetnikov reports.

Aeroflot Tu-154M and Chinese MD-82 aircraft have begun regular flights on this route at the rate of one a week. It is the sixth air link between the USSR and the PRC to open since the signing of the intergovernmental agreement on air services. The other five are Moscow-Beijing, Berlin-Moscow-Beijing, Moscow-Shanghai-Seoul, Khabarovsk-Harbin, and Alma-Ata-Urumchi.

Aeroflot has also been authorized to make three flights a week to Hong Kong on the new cross-China route, via Urumchi, Chengdu, and Guangzhou. Thus Aeroflot is the first foreign company authorized by China to fly to Hong Kong across its territory.

Kazakhstan's Nazarbayev Comments on PRC Visit

LD1507144891 Moscow TASS in English 1057 GMT 15 Jul 91

[By correspondent Vladimir Kashirov]

[Text] Beijing July 15 TASS—Relations between the Kazakh Soviet Socialist Republic and China's Xinjiang Autonomous Region should be viewed in the context of an overall improvement of Soviet Sino-relations, President Nursultan Nazarbayev of Kazakhstan, on an official visit to China, told TASS.

Favourable conditions for the delegation's visit to China were created by Mikhail Gorbachev's visit to China in May 1989 and by return visits to the Soviet Union by Premier Li Peng and Communist Party General Secretary Jiang Zemin, Nazarbayev said.

The Soviet delegation visited the Shenzhen special economic zone in Guangdong Province, he said. It was very important to look at the life and work in the zone, because the Kazakhstan parliament passed a law to set up similar districts. Specialists are studying foreign experience in organising such zones, he said.

An agreement to exchange delegations and interested people has been reached with leaders in Guangdong Province. Kazakhstan needs good business contacts with foreign partners, Nazarbayev said.

The Chinese experience is interesting because the creation of a special economic zone and other economic reforms are coupled with preserving high economic discipline, he said.

The sides plan to sign in Xinjiang Uygur's provincial capital Urumqi in July an agreement on cooperation between Kazakhstan and Xinjiang Uygur, a trade agreement and an agreement to use the Druzhba (Soviet Union)-Alashankou (China) border crossing to develop international tourism.

Nazarbayev said that on June 25 he sent a letter to Li Peng outlining concrete proposals to develop bilateral cooperation in various spheres.

In his reply message, the Chinese prime minister informed him that Beijing is interested in all the proposed initiatives and that Chinese government bodies have been given corresponding orders.

On Sunday, Nazarbayev and his entourage left Beijing for Urumqi. The delegation will end its visit to China on Tuesday.

Ambassador Comments on Border Talks

PM1607101391 Moscow IZVESTIYA in Russian 13 Jul 91 Union Edition p 6

[Report by Yu. Savenko: "Border Talks Will Be Continued. USSR and China Reduce Troops"]

[Text] Beijing—As already reported, the fourth round of USSR-PRC talks on mutual armed forces reductions and confidence-building in the military sphere in the Sino-Soviet border region has ended in Beijing.

Until quite recently the Soviet-Chinese border (the longest in the world at over 7,500 km) was to all intents and purposes tightly closed. Much has changed in the last few years. The border regions' inhabitants are setting up joint ventures, visiting each other, and actively trading. The border settlement has progressed significantly. The legal formalization of agreed sections has begun, topographic work is under way, and maps are being prepared.

The signing of the agreement on the eastern section of the Soviet-Chinese state border during the recent visit to Moscow of Jiang Zemin, general secretary of the CPC Central Committee, is the most striking example of success in this issue. Incidentally, border procedures also became simpler after this.

Thanks to the favorable political atmosphere and the increasing development of Soviet-Chinese contacts in the military sphere, talks on mutual armed forces reductions and confidence-building in the military sphere in the border region have also become possible.

So how does G.V. Kireyev, leader of the Soviet delegation and USSR Foreign Ministry ambassador at large, evaluate the completed round of talks? At first, he said, I will remind you that in April 1990 in Moscow an intergovernmental agreement was signed on the guiding principles for mutual armed forces reductions and confidence-building in the military sphere in the Soviet-Chinese border region. (This agreement deals in particular with mutual security and the reduction of armed forces to the minimum level commensurate with normal good-neighborly relations; it also states that troops stationed in the border region can only fulfill defensive tasks and will not be capable of sudden attack etc.—Yu. S.). The agreement became the legal basis for further talks between the Soviet and Chinese delegations, and an objective discussion of the numerous problems identified by this document began. After three rounds of talks, a united opinion was arrived at—we should begin elaborating a general agreement.

The current discussions in Beijing have been about the focal problems of the future agreement, G. Kireyev continued. Views were exchanged on what branches of armed forces and what categories of weapons and military hardware will be cut. A lot of time was devoted to territorial problems. After all, it is necessary to define geographical zones for reductions and regions with special conditions in which military exercises should not be carried out nor military units stationed. Opinions were exchanged on monitoring the reduction process and on confidence-building measures. The discussion bore a conceptual character. The talks entered the stage of resolving the essence of questions, and they were conducted in a constructive and open atmosphere.

We will continue the discussion at the next round in Moscow, and maybe we will begin specifically agreeing articles. The issues are not easy, and haste is not our principle. The envoy believes that the most important thing is that Moscow and Beijing have set up for a highly important and complex military question a negotiating mechanism which has been working effectively for two years already.

Northeast Asia

1978 Korean Airliner Downing: Part II

91UF0975A Moscow IZVESTIYA in Russian 8 Jul 91 Union Edition p 6

[Conclusion of two-part article by Senior Lieutenant I. Yelkov and Captain Yu. Abramov: "Instead of Landing in Seoul a Descent in the Polar Regions: Details of the Violation of USSR Air Space in 1978"]

[Text]

II.

"So, there were 110 passengers in the downed plane, and 13 crew members (including the stewardesses)," Senior Ensign K. Karaban continues his tale. "I sent two soldiers to the unit to tell the battalion commander what had happened. Then I really did not know what to do with the passengers. They were very lightly dressed, and cold air was creeping in through open aircraft doors. I ordered the soldiers to gather some branches and to start a campfire, but the weather was damp and the fire would not take... So we had to take newspapers and magazines from the aircraft cabin; then the fire caught quickly.

"I left Sergeant V. Kolomiyts in the aircraft in my place, slid down the ladder to the frozen lake, and took two signal lights. I put a sentry near the plane, Private M. Ivanov. Some time later there was a plane flying somewhere. I started to signal with the lights, white and red lights.

"The plane turned around and made a pass over us. A little later a helicopter appeared. Having circled over the peninsula where the Boeing-707 was "resting," it hovered over us at an altitude of 300 or 400 meters. I signaled with the lights that it could land, but it flew off toward the north. In about 30 minutes a helicopter with a floodlight appeared from the direction of the sea. It circled us twice, and then descended and landed. A search group with weapons and skis started jumping out of it, then a colonel appeared. Unfortunately, I do not remember his name; there was a doctor with him.

"I briefed him on the plane. After that, we climbed into the Boeing, inspected it, and together with the doctor started to take care of the wounded. Then we moved them to the helicopter; there was one severely wounded and we took him there too. We were carrying them all in our arms; there were two women, three children, and a man.

"The helicopter took off for Kem. We stayed with the plane. Morning came and helicopters started to arrive, one after another; they were taking the passengers away. The passengers' belongings were taken out of the plane and put under guard. I was constantly changing the search group personnel around the plane. The same day, the Marshal of Aviation Ye. Savitskiy flew in. He went to the cockpit, sat for a while in the aircraft captain's seat, and looked at the instrumentation. Then he left me instructions about guarding the plane and went back.

"Then came many specialists from an aviation plant. The plane was disassembled and an MI-6 helicopter delivered it by parts to Kandalaksha Bay, where it was loaded on a barge."

Lieutenant Colonel A. Bolotov says:

On the 21st, a helicopter was going out to the Boeing and they needed a photographer. I went. I took a walk around the cabin and peeked into the cockpit. It appeared that the pilots had been very nervous: Maps were strewn all over the cabin and the ashtray was full of cigarette butts. By the way, the captain of the South Korean crew had been a fighter pilot in the past, had fought against our MIGs. He was about 55 years old.

The airline refused to pick up the Boeing—it was more profitable to get the insurance. It was, I think, a 1963 aircraft, an old one.

Vera Petrovna Petrova, education of the masses instructor at the officers' club:

We learned about the incident in a rather peculiar way. We were not allowed to go to work. My husband—he is an officer—was awakened for an emergency at about 0400. He came back in the morning. A Boeing had been shot down, he said, and its passengers would be housed in the officers' club.

All officers of the garrison officers club were ordered to dress in civilian clothes. Visual aids related to military themes had been removed. The entrance was guarded by border guards and KGB officers came from Moscow. The Boeing crew was placed on the second floor, and the passengers, in the movie theater and the foyer.

Right after the regime of strictest secrecy had been imposed, the people of Kem started drifting toward the officers club to stare at the "spies." It is not every day one can see something like this!

Yevgeniy Leonidovich Koptev, during the events—chief of the officers' club, a major:

The first one to talk to us was a Negro, in very decent Russian (it turned out later that he had graduated from P. Lumumba University):

"I understand that we are in the Soviet Union—I hear the Russian language. But where exactly?"

"Karelia."

The Negro only gave a whistle.

The incident with the Korean airliner was announced on the "Vremya" program. From that moment on, the Korean passengers were literally transformed. They immediately cheered up: "Now everybody knows about us!" They started asking for music and were permitted to dance.

Recollections of Igor Aleksandrovich Lyakin, then a special branch officer:

When the "go-ahead" came to evacuate the passengers, we noticed that many women were dressed in kimonos. There were many children among the passengers who were clearly not dressed for the season. The soldiers carried them to the helicopters in their arms.

Then various bosses and commissions started to arrive; each one gave commands and orders... Confusion! At the same time, judging from the promotional literature, the plane was full of temptations for souvenir collectors: a bar with cognac and wines, and a lot of small items. A video camera disappeared while the luggage was unloaded. It was never found, as if it had dropped through the ice.

No spying equipment was found on the plane. The only things of a serious nature were two handguns in the cockpit. The emergency radio transmitter turned out to be powerful and was taken away for investigation. On the same day, I remember, Western radio stations reported that Soviet pirates had attacked a civilian aircraft.

The Boeing was a sort of wonder for us then. Our technicians racked their brains for two days trying to figure out how to drain the fuel from the plane; eventually, it turned out to be simple. The honeycomb design of the wings' interiors were also a marvel. They could not be broken, even with an ax.

I lived in a tent next to the Boeing for ten days, fulfilling my tasks.

TASS: "All Boeing passengers and the crew were evacuated to the nearest populated area, and on 23 April, in Murmansk, were handed over to representatives of the United States Consulate General in Leningrad and Pan American Airlines. They left the Soviet Union the same day, with the exception of Captain Kim Chang-Kyu and Navigator Yi Chin-Sin, who were detained in connection with the ongoing investigation."

The passengers were taken back in the reverse order: first from Kem by buses to a military airfield, then by two planes to Murmansk.

How will the Karelian incident remain in their memory? As a nightmare? A savage escapade by the Russians? An exotic adventure? Or just an accident?

TASS report, 30 April 1978: "As we have reported before, on 20 April Soviet air space was violated by a South Korean airline Boeing-707 aircraft.

"As a result of the actions of the Air Defense Forces, the aircraft landed in a hard-to-access locale on the territory of the Karelian ASSR [Autonomous Soviet Socialist Republic].

"In the course of the investigation, it was established that the incident with the South Korean aircraft took place as a result of its crew's disregard for international flight regulations and its refusal to accede to the demand of Soviet Air Defense interceptors to follow them to a landing on an airfield.

"The crew captain and the navigator admitted without reservation to being at fault in violating Soviet air space and the Soviet border, as well as international flight regulations. They confirmed that they had understood the commands from the Soviet interceptors, but nevertheless had not complied with these commands. Having acknowledged that they were guilty before Soviet law, the crew's captain and the navigator appealed in writing to the USSR Supreme Soviet Presidium for a pardon.

"Taking into consideration that Kim Chang-Kyu and Yi Chin-Sin had acknowledged their guilt and repented, and guided by humane principles, the USSR Supreme Soviet Presidium decided not to institute criminal proceedings against Kim Chang-Kyu and Yi Chin-Sin, and to limit their response to expelling them from the Soviet Union."

Instead of an afterword. If clear legal regulations for such a situation had existed at the time, most likely this tragedy would never have taken place. That is clear. What is not clear is why the Karelian incident did not prompt aviation powers in general, and us in particular, to learn at least some lessons? That question remains unanswered.

Another very important point: It would be good for the Air Defense Troops to develop a clear and unambiguous document that regulates the actions of the military in such situations. Today, there are too many orders, instructions, and resolutions: Old ones are not repealed, while new ones come into effect. All of this creates confusion. It is necessary to create a situation where an officer making a decision would have to think about only one thing: how to select the best means to force the intruder to land! And not at all about which option would bring him minimal wrath from his bosses.

The situation is greatly aggravated by constant upbraiding over the telephone. Remember the first words the formation commander heard from the commander in chief? "You will be put on trial." As is known, it is common in the Army to relieve stress by unloading on subordinates. We will never know what had transpired before this conversation: What the minister of defense promised to do to the commander in chief, and what the Soviet government held over the minister of defense. One can only guess.

The SU-15 is still flying, but it is being squeezed out by fourth generation interceptors like the SU-27 and the MIG-31. New technology, new tactics are being used. At the same time, the level of the relationship between the top and the bottom in the Air Defense Troops, and in the Army in general, can hardly be called new. In any case, it can hardly be called fourth generation. If anything happens—it is the same thing: "I will send you to face a tribunal!" And everybody knows that. What is worse,

they remember this in critical situations when they should be remembering and thinking about completely different objectives.

There were neither punishments nor awards after the Boeing incident. Colonel Yu. Fomenko, who in 1978 was Captain A. Bosov's wing commander, says that soon after the incident his subordinate was summoned to Moscow. There, he and another pilot who had "dropped" two intruder helicopters on the country's southern border, got a handshake and were told: "The international situation is complicated, we cannot give you awards for carrying out your combat missions, but you should know that the Motherland will not forget you."

It did forget them. The same way an effort was made to forget the incident itself with the help of "competent" organs and censorship.

DPRK Initiative on Dialogue With ROK Noted

PM1607104191 Moscow IZVESTIYA in Russian 13 Jul 91 Union Edition p 5

[IZVESTIYA Press Service report: "Pyongyang Initiative"]

[Text] News agencies are reporting that the DPRK has proposed that the bilateral "high-level" dialogue with South Korea that had been broken off be resumed at the end of August this year.

If Seoul's proposal is accepted, the premiers' next meeting will take place in Pyongyang. If you remember, the preceding three meetings took place in both capitals alternately. However, no concrete results were attained as the sides differed in their approaches to defining the immediacy of the steps for decreasing military and political confrontation. A fourth round was scheduled for February this year in Pyongyang, but the DPRK cancelled the meeting as a sign of protest at the staging of U.S.-South Korean maneuvers—"Team Spirit 91"—in the south of the Korean peninsula.

Judging by the reports, Seoul is ready to accept the proposal in principle. An announcement by a representative from the Government Administration for the Question of North-South Dialogue states in particular: "We have no reason for avoiding these talks, and on more than one occasion we have addressed an request to Pyongyang to resume such a dialogue." Nevertheless, an official response to Pyongyang's initiative will probably be forthcoming over the next few days, during which time an answer will also be given regarding a date for opening the meeting.

Observers note that the possible resumption of bilateral high-level contacts is the result of the changes which the DPRK's position has undergone on a number of questions, especially with regard to both states' joining the United Nations Organization.

Soviet, ROK Environment Ministers Confer

PM1407145791 Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 1

[By A. Barannik from IZVESTIYA and news agencies roundup: "Ecology Ministers: First Handshake"]

[Text] N. Vorontsov and Kwon Ui-hyok, respectively heads of the USSR and ROK nature conservation ministries, have met for the first time in Moscow. They discussed specific measures to develop mutually advantageous ecological cooperation and joint actions to protect the marine environment, coastal territories, and fauna and flora in northeast Asia and the Soviet Far East, A. Barannik reports.

Soviet-Mongolian Geology Agreement Signed

LD1507220391 Moscow TASS International Service in Russian 1135 GMT 15 Jul 91

[By Vyacheslav Poznakharev]

[Text] Ulaanbaatar, 15 Jul (TASS)—An agreement on cooperation in the field of geology between the Mongolian People's Republic [MPR] and the USSR was signed here today. It deals with new aspects of partnership in the changing economic conditions of the transition to market relations in both countries and the settling of accounts between each other in freely convertible currency at world prices. It also envisages a transition from cooperation in surveying for useful minerals to broad cooperation in exploiting them.

The document was signed on the Mongolian side by Sed-ochiryn Bayabaatar, minister of trade and industry, and on the Soviet side by G.A. Gabrielyants, USSR minister of geology.

Japan To Assist In New Satellite Station

LD1607145691 Moscow Radio Rossii Network in Russian 1300 GMT 16 Jul 91

[Text] A state communications and information technology enterprise in Maritime Kray has concluded a contract for the construction of a satellite communications station in the kray under the international program Intelsat. The Japanese company KDD will cooperate. As early as fall autumn of 1993 local subscribers will be able to make direct contact, by-passing the centre, with any country in the Asian-Pacific region.

Southeast Asia & Pacific

CEMA Abolition Affects Relations With SRV

LD1307163491 Moscow All-Union Radio Mayak Network in Russian 0400 GMT 13 Jul 91

[Text] Leonid Krichevskiy, our correspondent in Hanoi, reports. The subject of his report is certain problems of Soviet-Vietnamese economic relations.

[Krichevskiy] The abolition of CEMA [Council for Economic Mutual Assistance] has been reflected in the Vietnamese media only by an official statement, while also in unofficial conversations [word indistinct] has not given rise to particular regret, although Vietnam had been a member of the CEMA since 1978. If one gets down to brass tacks, then this has not yielded Vietnam particular results. Indeed, as a journalist who has worked here for many years, I can assure you that the most difficult task of the editorial office over past years has been to recount how CEMA was helping Vietnam. The Vietnamese that I addressed at that time in the SRV State Bank or in other economic institutions of the country tried to get off with common places and words of gratitude, at the same time adducing the most insignificant facts.

Yet, Vietnam was a country, along with Cuba and Mongolia, for which CEMA had developed special programs for aid and assistance. But (?the words) remained on paper and now have been buried for eternity in the CEMA archives.

CEMA is no more. What now? Now the stakes are exclusively on bilateral relations on a mutually beneficial basis with a transfer to a [hard] currency basis for settling accounts.

This year, for instance, as a result of this Soviet-Vietnamese trade and economic relations [word indistinct] (?traditional) relations have been disrupted. For instance, in the winter, which is usually the high point of imports to our country of Vietnamese vegetables, fruits, and potatoes, Soviet vessels were practically absent from Vietnamese ports. Contracts were not concluded on time and people simply didn't know how to embark on [hard] currency accounting. We and our Vietnamese partners don't have enough [hard] currency.

Basically, for the time being we are having to follow the road of barter deals. But now this rarely suits Soviet companies and enterprises. After all, they want [word indistinct] freely covertible currency.

Or, here is another example. Now Soviet specialists are forced to leave Vietnam, yet they are greatly needed here. But the Vietnamese side today is simply not in a position to maintain Soviet specialists under the new conditions—to pay from $3,000 to $3,500 for each of them per month. We should not have transferred immediately and unexpectedly. Time is necessary. And now, of more than 800 Soviet specialists just over 100 are left in Vietnam. This is causing palpable damage to the economic projects that we ourselves built.

Report Profiles CPV's Do Muoi

PM1207104191 Moscow PRAVDA in Russian 6 Jul 91 Second Edition p 6

[Report by correspondent M. Domogatskikh under the "Portrait Against the Background of the News" rubric: "Do Muoi"]

[Excerpts] Hanoi, Jul—I have seen this man many times in various situations and in various parts of the country. And everywhere he somehow at once found a common language with workers, peasants, engineers, and us journalists. Everywhere he was himself.

I recall working on his articles for PRAVDA, in whose pages he has written repeatedly and on various problems. He is noted for his ability to speak simply about complex matters.

At the Seventh Communist Party of Vietnam [CPV] Congress he was elected general secretary of its Central Committee. [passage omitted]

People in Vietnam know well that Do Muoi is one of the creators of the policy of renewing the economy, granting independence to sectors and enterprises, and making the transition to the market. And the Vietnamese people largely associate with the name of Do Muoi, as head of government responsible for the policy of renewal and of building a prosperous Vietnam, the fact that the country has today scored appreciable successes in developing the national economy, building a mixed economy, and saturating the market with food and consumer goods.

This work is inseparable from the activity of the party, which began the fundamental restructuring of the country's social life, which was in grave stagnation, after the sixth congress.

Do Muoi has now shouldered responsibility for the leadership of the whole party, which acts as the vanguard of society.

At a meeting with correspondents accredited to the party congress, Do Muoi devoted considerable attention to the country's foreign policy: "Peace, stability, and development are the most important things for Vietnam," "Peace is the desire of all mankind," "We fought for 40 years, we were fed up with war, it gave us nothing"—we heard this from the lips of someone who has lived through more than one bloody battle together with his people.

Do Muoi is a representative of the older generation of Vietnamese Communists. But it was precisely this generation that produced people who took a new look at the world and began renewing it.

Direct Beijing-Phnom Penh Talks 'Appropriate'

BK1307093591 Moscow Radio Moscow in Cambodian 1100 GMT 12 Jul 91

[Commentary by Aleksey Nikolayev]

[Text] From 22 to 24 July in Beijing, direct bilateral talks will be held between Comrade Hun Sen, head of the State of Cambodia's government, and Chinese leaders. This was announced on Phnom Penh radio on 11 July by Comrade Hun Sen himself. This is the type of information which surprises people, says our commentator, Comrade Aleksey Nikolayev.

Furthermore, the start of direct talks between Beijing and Phnom Penh is an appropriate development in the current phase of the process aimed at solving the Cambodian problem and fits in with the changes taking places in the Asia-Pacific region in general. As is generally known, at the recent meeting in Phatthaya, Thailand, the Cambodian parties managed to agree on a number of major issues, including, first of all, the agreement on an unlimited cease-fire, the halt to receiving foreign military aid, and the use of Phnom Penh as the official headquarters of the Cambodian Supreme National Council [SNC].

In fact, it is not yet time to talk about a comprehensive solution to the Cambodian problem; there are still quite a number of issues related to the implementation of the UN peace plan on which there is still no agreement. Thus, if Cambodian parties still cannot agree among themselves, how can international control of the ceasefire and of the transport of weapons be achieved? It is certainly difficult to expect that hostilities will not start again. It is not accidental that lately there were reports about attacks by Khmer Rouge army units in northwest Cambodia.

In sum, the success of Phathhaya calls for some consolidation. Looking at the issue from various angles, Cambodian parties all share the same desire of consolidating this success. Next week, their leaders will meet again, this time in Beijing. Comrade Hun Sen, the State of Cambodia's prime minister, will be going to the Chinese capital as an SNC member. According to reports, he will afterward travel on with Samdech Sihanouk to Pyongyang, after which he will again be back in the Chinese capital, this time at the Chinese side's invitation.

The forthcoming talks in Beijing alone have already been considered by many observers as evidence to show that movement toward a solution to the Cambodian problem has reached a positive turning. Comrade Hun Sen's meetings and talks with Chinese leaders will undeniably pave the way toward solving the Cambodian problem, concludes our commentator Comrade Aleksey Nikolayev.

Hun Sen PRC Visit 'Exciting'

OW1407061091 Moscow Radio Moscow in Mandarin 1400 GMT 11 Jul 91

[Nikolayev commentary; from the "Current Events and Commentaries" program]

[Text] Dear listeners: Direct talks between Cambodian Prime Minister Hun Sen and Chinese officials will be held from 22 to 24 July. On Thursday Hun Sen personally revealed this news through Phnom Penh radio. Our station's commentator Nikolayev has the following comments:

This is truly exciting news to the people of the world. On the one hand, Beijing and [words indistinct] will begin dialogue in an effort to comply with the logic of reconciliation of the Cambodian issue at the present stage. [passage indistinct].

As everyone knows, the four Cambodian parties recently held a meeting in Phatthaya, Thailand, and reached a series of major agreements. First and foremost, they agreed on an unconditional ceasefire and the establishment of the headquarters of the Cambodian Supreme National Council in Phnom Penh. Of course, it is still early at this time to reach a comprehensive settlement of the Cambodian issue, and many questions concerning the implementation of the UN peace plan have yet to be solved. For example, the various Cambodian parties have not reached agreement on how to put the provision of arms under international supervision in connection with the ceasefire. At the same time, it will be very difficult to ensure that no military action will recur in view of the fact that recent reports say that the Khmer Rouge has launched an attack in [words indistinct] of Cambodia. It seems that the achievements made in Phatthaya need to be consolidated. This appears to be the wish shared by all parties.

Next week leaders of all parties will meet in Beijing. Hun Sen will also come to the Chinese capital as a member of the Supreme National Council. It is reported that he will then go to Pyongyang together with Prince Sihanouk. After that, at China's invitation, he will return to the Chinese capital.

Many people believe that the fact that the talks will be held in Beijing, itself, indicates that the settlement of the Cambodian issue has reached a favorable turning point. Hun Sen's meeting and conversation with Chinese leaders will, no doubt, pave the way to the reconciliation of the Cambodian issue.

Near East & South Asia

Commentary on Syria's Welcome of Proposals

LD1607194391 Moscow Radio Moscow World Service in Arabic 1600 GMT 15 Jul 91

[Aleksandr Mikhaylov commentary: "Syria Agreed to U.S. Proposals"]

[Text] Syria agreed to the proposals of U.S. President George Bush which aim at getting the settlement process in the Middle East underway. Syrian TV, in an unscheduled news bulletin yesterday evening, reported that Syrian Foreign Minister Faruq al-Shar', had delivered Syria's reply to the U.S. ambassador in Damascus agreeing to the proposals which President Bush presented at the beginning of last month. At the same time, the Syrian Arab News Agency, SANA, distributed the text of the letter which President Hafiz al-Asad sent to President Bush, in which he said that the U.S. proposals concerning the conditions for convening a peace conference on the Middle East are clear, balanced, and positive. They could become the foundation for a peaceful

settlement in the region because they are based on the rulings of the two well-known Security Council resolutions 242 and 338.

U.S. Secretary of State Baker said in his speech to journalists in Washington that Syria's positive reply helps more than at any other time to develop the peace process in the Middle East. The secretary said that Syria's reply does not contain any additional conditions for participation in the suggested peace conference. President Bush had presented his project, the details of which have not yet been published, in an attempt to find a compromise solution between the two extreme stands of Syria and Israel.

Unofficial reports say that this project stipulates a halt to the construction of Jewish settlements in the occupied territories and returning these lands to the Arabs in return for guarantees for peace, and on convening an international conference chaired jointly by the United States and the USSR and the participation of the United nations. AFP said that the U.S. proposals stipulate the participation of the UN secretary-general as an observer in the conference.

It is well-known that Syria used to insist on UN participation in the peace process, while Israel used to object strongly to that. Israel has not officially responded so far to Syria's positive reply. All Israeli administration representatives, whom newspapermen contacted earlier, evaded giving a clear assessment of Syria's reply under the pretence that this reply must be accurately analyzed. News agencies agree that Israel's confusion is due to the fact that Syria's positive reply to the U.S. proposals was a surprise.

On the other hand, the peace movement in Israel welcomed Syria's position and appealed to Prime Minister Shamir not to reject this opportunity to settle the Arab-Israeli conflict. On another level, Palestinian president Yasir 'Arafat announced that the U.S. peace project is a new trick, and that American efforts do not aim at achieving peace in the region, but rather wasting time so that Israel can consolidate its presence in the occupied territories. Yasir 'Arafat announced this in the Jordanian capital where he arrived yesterday after his visit to Baghdad.

But we should not forget that 'Arafat's announcement came before the official publication of Syria's reply to Bush's proposals.

Israeli Response to Events in Sidon Viewed

91UF0984A Moscow IZVESTIYA in Russian
9 Jul 91 Union Edition p 4

[Article by A. Ostalskiy: "'Fatah Country' Is No More"]

[Text] "Fatahland"—"Fatah Country"—in South Lebanon is no more. This is what people called the section of Lebanese territory surrounding and to the south of the city of Sidon, where there had for many years been a small Palestinian state, as it were: the principal occupant here was the PLO, primarily its main organization—Fatah.

Now, however, when the Lebanese state, encouraged by Syria, has decided to attempt to restore its sovereignty in the south, it is hard even to imagine Lebanon without "Fatahland"—so customary and invariable a part of the "political landscape" it had come to seem.

It took four days of fighting, in which approximately 200 persons were killed and wounded, to eliminate "Fatahland." And this needless bloodshed is giving rise to bitter and puzzled questions: The PLO leadership had, after all, been notified in advance of the Lebanese Government's intention and of its resolve to have its own way. In addition, albeit unhappily, the PLO had reconciled itself to the inevitable almost at once. Why, then, was the senseless resistance and the pointless death of condemned people necessary? Was it really just to "show character" and give a reminder of the need for it to be reckoned with? I do not believe that this goal was achieved, but new seeds of hatred and vengeance have been sown, without any doubt.

But the main thing, of course, are the political consequences of the action mounted by the Lebanese Army. The Palestinian camps now brought under the control of the government were the main guerrilla base in proximity to Israel's borders. It was from here that guerrilla raids onto the territory of Israel and into the "security zone" in South Lebanon which it has set up were carried out. And it was here that Israeli aircraft would fly in response, launching retaliatory attacks, from which totally innocent people would often die. The "security zone" itself and the permanent Israeli military presence on Lebanese territory were explained precisely by the need to counter this threat.

Now the Lebanese Army is confident that it will prevent new attacks on Israel from its territory. The next task which the Lebanese Government is setting itself is to get the Israeli forces and also the 3,000-strong "Army of South Lebanon," also created and paid by Tel Aviv, to pull out of its territory. Lebanese President E. Hrawi requested assistance of the United States on Saturday even in this respect.

But the response of the Israeli authorities affords no reason for optimism. Foreign Minister D. Levi declared that Israel would not leave Lebanon as long as Syrian forces remain there. But such a position means that the Israelis intend to maintain their presence in Lebanon for an indefinite length of time. After all, the Syrians (whether this is a good thing or bad thing is another matter) will not be leaving this country in the foreseeable future. If only because the Lebanese authorities themselves do not want this. And, in addition, is the border with Syria not the most tranquil and secure border for Israel? And is it not obvious that a Syrian departure from Lebanon, where there are so many well-armed political

groupings avowedly hostile toward Israel, could represent a most serious threat to its northern border? So it is hard to rid oneself of the thought that the Israeli leaders are dissembling when they say that they are serious about wanting the Syrians to leave the neighboring country.

Tel Aviv's negative response to Beirut's initiative seems to me a conservative, reflex reaction. But it has to be seen that the world is changing and that the challenges of the times require new, nonstandard, decisive steps. Were Israel to make up its mind (given the observance, most likely, of certain conditions, and certain guarantees having been obtained) to leave Lebanon, this could in itself contribute to an easing of tension in this region and to progress in the direction of greater trust between the parties to the protracted conflict.

USSR Must Seek Mideast Economic Role

PM1607132591 Moscow KOMSOMOLSKAYA PRAVDA in Russian 12 Jul 91 p 3

[By A. Shumilin: "MiG for the Near East in a Flash? What Apart from Weapons Can We Offer Near Eastern Countries?"]

[Text] Cairo—It is said that even the Israeli defense minister was taken aback when the Soviet minister of the aviation industry, in the presence of journalists at the Le Bourget air show, suggested that he buy any modern Soviet defense hardware, including MiG-31 fighters. "You will be able to defend the whole of Israel with three such MIG's," REUTER cites our minister as saying.

If such a thing had happened two or three years ago, a storm of protest would have erupted in many Arab countries. Today, to tell the truth, I do not notice even signs of any protests on the part of Arabs. The impression emerges that everyone is satisfied with the explanations given by the Soviet side: The market is the market, and any legal client has a right to acquire there a commodity that he needs without any discrimination. For we are not talking of purposeful deliveries of a considerable quantity of Soviet combat hardware to Israel—on credit, moreover. We will settle accounts later. As was the case, and is today, in respect of our traditional clients in Third World countries.

The Near East is changing, as are our ideas of the realities that exist there. It turns out that it is not always the case that "an old friend is better than two new ones," particularly if the "old friend" is trying hard to draw us into dangerous adventures (this applies to Saddam Husayn again!). This year Soviet embassies have been opened in all Arab Persian Gulf countries. We are now seen and better understood in Oman, Bahrain, the United Arab Emirates, and Saudi Arabia. And we understand them better. The restoration of diplomatic relations with Israel is not at all far off either. Is it possible to move toward peace in the region without direct official contacts with all the sides?

Today, as never before, the Near East is striving for peace. And this circumstance raises the question of our new role in a region of vital importance to us. For previously, at the time of the "cold war" in Europe and "hot" wars here, things were simpler: We provided our allies in Arab countries with aircraft and tanks, while they ensured a political role for us in struggling against "imperialism and its henchman in the region—Israel." Times are different now, and what are we to do if precisely tanks and aircraft, guns and machine guns were for decades our basic commodity in the region, but now they have been, to put it mildly, somewhat compromised by our "friend" S. Husayn, and international agreements limiting arms deliveries to Near East countries are still possible? Can the necessary political influence in the region be reinforced by mutually advantageous economic ties, and how? For our former allies in the socialist camp who have encountered this same problem seem to be resolving it quite well: Czechoslovakia, for example, has established diplomatic relations with all the countries of the region and secured a number of very profitable contracts for reconstruction work in Kuwait and other Gulf countries, and Poland and Hungary are being very active in this respect. However, no offers from our organizations are yet to be heard: Are we afraid of offending our recent ally—Iraq? Or have we nothing to offer but tanks and aircraft?

It is hard to say what the reasons are, but we do indeed have something to offer. And in this respect Egypt, to which access was denied to our military hardware and advisers back in the mid-seventies, has in recent years been a kind of laboratory for developing new, peaceful forms of cooperation. V.B. Yasenev, USSR trade representative in the Arab Republic of Egypt, and V.N. Savelov, chief of the trade mission's economic department, told me that our cooperation with the land of the pyramids is based exclusively on a commercial footing, and this means that both sides count their money. Second, efforts are being concentrated in those spheres of cooperation in which we have accumulated specific useful experience which produces results: Despite competition from Western companies, the Egyptians frequently prefer Soviet organizations in spheres such as the construction of power industry projects—they recently proposed that we construct the first major power industry complex in Sinai. Third, in the trade sphere the practice of barter deals has been developed, several joint ventures have been set up, and license cooperation is being carried out or, to be more accurate, Soviet organizations sell licenses to Egyptian partners for the production of output that they need.

It cannot be said that the gradual transfer of trade and economic relations to a commercial basis is a great cause of delight among all our partners in Arab countries. The prospect of accelerated economic reforms, particularly in Russia, gives some of our partners cause for concern.

"It is natural," Cairo's AL-AHRAM writes, "that within the framework of the economic reforms and with the introduction of market mechanisms the largest Soviet

market—the Russian one—will be geared only to the good-quality output of Western countries, while sales of Arab output might be subject to duty. In other words, the Russian market will cease to be a heavenly place for Arab output, and Soviet exports of raw materials and finished products to Arab countries will be conducted in hard currency and at prices close to world prices." AL-AHRAM's Moscow correspondent is afraid that B. Yeltsin's victory in Russia will lead to this republic's increased political and economic orientation toward the West, to the detriment of traditional ties with the Arabs.

In my view, the fears are groundless, for it is hard to imagine that Russia and the Soviet Union would ever abandon their traditional role in the Near East. The kind of role in question in the now changing situation in the region is another matter. For the former gamble on weapons seems to have no prospects today, although it is also impossible to abandon it totally, just as it is impossible to convert our country's military industry into a peaceful industry at once. This new role is becoming increasingly apparent within the framework of the new concept of "a balance of interests instead of a balance of power," which presupposes deideologization, the surmounting of the one-sided orientation toward traditional allies, the broadening of the geography of ties, and the rationalization of economic relations. The prospects opened up by the present economic situation in the Near East are truly tremendous. It is important not to be slow off the mark. With our potential, experience, and ability, it is sinful and even shameful to descend in the Gulf countries to the role just of seekers of credits. Today, while we are at the stage of internal transformation, we are being given credits here, but tomorrow? Tomorrow this will certainly be linked to the results of the present transformation and to the extent to which our political and economic potential corresponds to the new conditions which are already becoming clearly apparent in this region today.

Protocol on Sending Israeli on Space Mission

LD1307190291 Moscow Radio World Service in English 1900 GMT 12 Jul 91

[Text] The president of the Israeli-based (Forum) Company and Soviet aerospace officials are said to have signed a protocol of intent for sending an Israeli citizen on a space mission aboard a Soviet spacecraft. The idea emerged at a recent international gathering of businessmen in Tashkent and was backed by the veteran cosmonaut, Vladimir Dzhanibekov, who is one of the leaders of the training center near Moscow.

Israeli Agricultural Delegation Visits Moscow

PM1607104591 Moscow IZVESTIYA in Russian 15 Jul 91 Union Edition p 1

[Report from roundup of IZVESTIYA, TASS, RIA, INTERFAX, and REUTER reports: "USSR-Israel: Agrobusiness Prospects"]

[Text] An Israeli delegation has arrived in Moscow at the invitation of the USSR Ministry of Agriculture and Food. It is headed by Refa'el Eytan, Israeli minister of agriculture. The delegation includes specialists and scientists who intend to study the state of affairs in the USSR's agriculture to develop more fruitful contacts in the future.

Already private Israeli firms are cooperating actively with collective and state farms and scientific institutions in Kyrgyzstan and the Ukraine.

"The Soviet side," R. Eytan noted, "has displayed interest in our proposals. But to this day the development of full-blooded contacts is impeded by the absence of diplomatic relations between our countries." IZVESTIYA correspondent M. Petrov has reported.

Iranian Air Force Chief Arrives on Visit

PM1207124191 Moscow KRASNAYA ZVEZDA in Russian 10 Jul 91 First Edition p 5

[Unattributed report under the general heading: "Official Reports"]

[Text] Brigade General M. Sattari, commander of the Iranian Air Force, arrived in Moscow 7 July on an official visit at the invitation of Colonel General of Aviation Ye.I. Shaposhnikov, commander in chief of the Air Force and USSR deputy defense minister.

During the visit Gen. Sittari's delegation will hold talks on questions of developing cooperation between the two countries' air forces, visit the Kubinka air base near Moscow, and see the sights of Moscow, Krasnodar, and Novosibirsk.

Soviet-Iranian Oil Well Drilled in Caspian

LD1707030591 Moscow TASS International Service in Russian 0748 GMT 16 Jul 91

[By Aron Goldenberg]

[Summary] Baku, 16 Jul (TASS)—A first Soviet-Iranian oil well has been drilled in the southwestern part of the Caspian. The work was done under a contract concluded between the Iranian national oil company and the all-Union association Mashinoimport. The well is 5,570 meters deep and is basically for exploration purposes. Every 25 meters the drilling workers took samples of earth for analysis. There is evidence of large reserves of oil in the area.

Further Reportage on Bangladesh Minister's Visit

Meets Bessmertnykh

PM1507152791 Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 5

[TASS report: "Soviet-Bangladeshi Talks"]

[Text] On 10 July talks took place between USSR Foreign Minister A.A. Bessmertnykh and Mustafizur Rahman, foreign minister of the People's Republic of Bangladesh, who is in Moscow on an official visit.

There was a thorough exchange of opinions on topical questions of world political and Soviet-Bangladeshi relations which passed in an atmosphere of mutual understanding and cordiality. The talks demonstrated the proximity or coincidence of the positions of the USSR and Bangladesh on fundamental questions of the present and created good prerequisites for the two countries' collaboration in the international arena.

The ministers noted with satisfaction that thanks to the philosophy of the new thinking a clear trend toward the gradual strengthening of the atmosphere of trust has been seen recently. Emphasis was placed on the need for as many countries as possible to step up their efforts in the interests of peace and stability in thge world. The sides deem it important to continue the persistent quest for ways of bringing about disarmament globally and regionally, eliminating economic backwardness, and ensuring the planet's ecological safety. The ministers noted the close association between questions of development and questions of disarmament in this connection.

On the broad plane there was an examination of the situation in the Asian and Pacific region. In the sides' opinion, the emergent integration of East and West can substantially influence the political climate in Asia and help the dissemination of new confidence-building measures on the continent in the interests of overcoming confrontation and resolving vexed and conflict situations at the conference table. But the definitive formation of the new political landscape in the Asian and Pacific region will depend primarily on the Asian states themselves.

The Soviet side gave a positive rating of Bangladesh's contribution to south Asian states' efforts to organize cooperation within the framework of the South Asian Association for Regional Cooperation. The Soviet Union's support for the process of improving the situation and strengthening mutual trust and good-neighborliness in all subregions of the Asian-Pacific region, including South Asia, was reiterated.

M. Rahman voiced respect for the new Soviet political course in world affairs, as a result of which there is evidence of profound changes for the better in the entire international situation.

Voicing satisfaction at the mutual understanding achieved on the political level, the sides expressed themselves in favor of activating mutually advantageous bilateral cooperation in the trade-economic, scientific-technical, humanitarian, cultural, and other spheres.

The ministers informed one another about the development of internal processes in their countries. The Soviet side confirmed its loyalty to the course of steadily developing and asserting democratic norms and renewing all aspects of the life of society. The Bangladeshi minister was told about the idea behind and the main provisions of the draft Union Treaty as an instrument for creating a multinational, rule-of-law state.

M. Rahman talked about the Bangladeshi leadership's and government's efforts to further stabilize the situation in the country and the plans for its economic development. He expressed gratitude for the moral, political, and material support the Soviet Union has given Bangladesh ever since the republic's proclamation of independence, including the aid in connection with the devastating cyclone in April 1991.

Meets Yanayev

LD1207154291 Moscow TASS in English 1449 GMT 12 Jul 91

[Text] Moscow July 12 TASS—Soviet Vice-President Gennadiy Yanayev today met Bangladeshi Foreign Minister A.S.M. Mustafizur Rahman.

Noting the similarity of the two countries' positions on key international issues, Yanayev said he was satisfied with the resumption of contacts with Bangladesh at a high political level.

Yanayev wished success (?to the) government led by Prime Minister Khaleda Zia, in implementing plans aimed at ensuring progress in state (?building), overcoming ecological problems and increasing living standards of the population.

Rahman said he hoped that restructuring in the Soviet Union will succeed. On behalf of the Bangladesh prime minister, Rahman praised the dynamic Soviet foreign policy, especialy noting efforts to establish constructive inter-state relations in the Asia-Pacific region.

The minister expressed gratitude for the Soviet Union's support to the republic from the first days of its existence.

Concludes Visit

LD1107200691 Moscow TASS in English 1921 GMT 11 Jul 91

[Text] Leningrad July 11 TASS—Bangladesh Foreign Minister Mustafizur Rahman, in the USSR on an official visit, today made a trip to Leningrad.

In the city's Mariinsky Palace, the distinguished visitor had a conversation with Mayor Anatoliy Sobchak. The parties expressed mutual interest in cooperation, primarily in the economic field, between Leningrad and Bangladesh.

Rahman laid flowers at the memorial to Leningrad heroic wartime defenders on Victory Square and toured the Hermitage Museum.

On the same day Rahman returned to Moscow.

Outlook on Future Ties

91UF0985A Moscow IZVESTIYA in Russian 9 Jul 91 Union Edition p 5

[By IZVESTIYA correspondent N. Paklin: "After an Interlude of... 15 Years"]

[Text] Dacca-Delhi—**The report that Bangladesh Foreign Minister Mustafizur Rahman was leaving on an official visit to Moscow is the lead news item in the Bangladesh capital of Dacca. Interest in the visit is understandable: neither Bangladesh nor Soviet foreign policy leaders have been guests of one another for at least the past 15 years.**

Democratic changes are under way in the 115 million-strong Bangladesh. The path to these changes was opened in December 1990 by the toppling of authoritarian President Ershad's regime by the joint forces of the opposition. Parliamentary elections on a multiparty democratic basis were held in the country this February for the first time in many years. A convincing victory was won by the Bangladesh Nationalist Party, which is headed by Begum Khaleda Rahman [name as published], widow of the country's president Ziaur Rahman, who was slain by putschists in 1981. She became Bangladesh's prime minister, reserving to herself a number of important ministerial portfolios, including that of foreign minister.

Begum Khaleda Rahman (she was born in August 1945) has confirmed the fidelity of her government to her deceased husband's policies: privileges for the peasants, who constitute the vast majority of the country's population, satisfaction of the Bangladeshis' main food, housing, clothing, and medicine requirements (Bangladesh remains one of the world's poorest countries), privatization of state-owned enterprises, and development of the private sector. Bangladesh is counting on private foreign capital and overseas assistance in implementing the economic transformations. An orthodox Muslim, Begum Khaleda Rahman intends to create a society based on "faith in Allah," social and economic justice, and nationalism.

In the sphere of foreign policy, the new Government of Bangladesh has adopted a policy of friendship with all countries. Paramount significance is, naturally, paid to the problems of the vast South Asian subcontinent, to which Bangladesh itself belongs. Among the priorities is a peaceful, good-neighbor settlement of existing problems with India. "All existing problems will be solved through negotiations," Begum Khaleda Rahman declared. These include the dispute over the waters of the Ganges and Brahmaputra. These rivers, which flow mainly on Indian territory, form a common delta on the territory of Bangladesh.

Dacca advocates the conversion of South Asia into a nuclear-free zone (I would recall here that, as distinct from Bangladesh, India and Pakistan have yet to subscribe to the Nuclear Nonproliferation Treaty).

The Bangladesh minister's visit to Moscow is being linked in Dacca with hopes for an appreciable improvement of relations between Bangladesh and the Soviet Union. And these relations have had both ups and downs. Both sides share part of the responsibility for the cooling. Our ties now are extremely modest in practically all directions. They have yet to reflect our restructuring in the sphere of foreign policy.

In personal conversations Bangladesh politicians, diplomats, and journalists have repeatedly expressed their feeling to the effect that the Soviet foreign policy department is "oriented toward the West" and does not pay the developing countries, Bangladesh included, due attention. Not, in my view, an incontestable assertion, although not one without foundation either. Having concentrated its efforts on a solution of cardinal questions of the present day, primarily nuclear and conventional disarmament, our country has by the logic of things entered into protracted negotiations primarily with the United States and its NATO partners. However, it should be said for objectivity's sake that neither has the Asian region disappeared from the field of vision of our diplomacy, although, of course, lengthy interludes in the meetings of leaders of the Soviet foreign policy department with their colleagues from Asian states do not contribute to a rapprochement between our countries and in places give offense even for considerations of prestige.

It may be hoped that Mustafizur Rahman's visit to Moscow and his negotiations with A. Bessmertnykh will not only prove a good sign in an extension and development of bilateral relations but will call the attention of Soviet diplomacy to the third world states which are on the periphery of the Soviet Union's foreign policy, as it were.

Further Reportage on Soviet Engineer's Death

OW1507114791 Moscow INTERFAX in English 1200 GMT 12 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] According to the deputy head of the Foreign Ministry's South Asian Department Yevgeniy Ivanov, there has so far been no official confirmation of the death of Sergey Grishchenko, a Soviet specialist on Asian affairs, one of 14 hostages taken in Assam by the terrorist organization the Assam United Liberation Front (AULF).

Here in Moscow, the Indian Ambassador A. Gonsalves expressed his deepest condolences on behalf of the Indian Government during a meeting with the Soviet coal minister. Meanwhile, Soviet representatives in India have been meeting with the Governor of Assam, L. Mishra. Mr. Mishra also expressed his sympathies but was quick to point out that no official confirmation had yet been received. The Assam authorities have so far been unable to make contact with the AULF in order to

determine the exact whereabouts of the hostages. Mr. Mishra said that the AULF normally use extremely isolated regions which make any access very hard. The Assam authorities have promised to do everything in their power to provide conclusive information on Grishchenko's fate.

According to E. Ivanov, the Soviet Union will insist on the return of Grishchenko's corpse, and will be demanding a thorough inquiry into the circumstances of his death and the bringing to justice of those responsible. He said that the two other Soviet specialists based in Assam had been flown to Delhi and were therefore under no threat.

More on Engineer's Death

OW1107061791 Moscow INTERFAX in English 1530 GMT 10 Jul 91

[From the "Diplomatic Panorama": "We Did All in Our Power, Said O. Ivanov"; transmitted via KYODO]

[Text] The news agencies PTI [PRESS TRUST OF INDIA] and UPI report with reference to a spokesman for the Indian extremist grouping "United Front for the Liberation of Asam" (UFLA) that the Soviet specialist Sergey Grischenko taken hostage by UFLA militants on July 1 "was killed when trying to escape".

"We did all we could to free the Soviet specialist and ensure his life and safety", declared Oleg Ivanov, deputy chief of the Soviet Foreign Ministry's South Asia department. As soon as the Soviet citizen was abducted, he told DP's [Diplomatic Panorama] correspondent, members of the Soviet Consultate General in Calcutta went to Assam's capital Hubati. At the same time India's government appealed to the government of Assam state. Assurances were given, even on the level of the country's prime minister Narasimha Rao, that all in human power will be done of free S. Grischenko. The government of Assam state released 2 UFLA ringleades and amnestied 560 UFLA militants. In short, all conditions were met for freeing 14 hostages, the Soviet specialist among them. Therefore it's hard to say what really happened, said O. Ivanov.

Acording to O. Ivanov, at the time of his talk with DP's correspondent there was no official confirmation as to S. Grischenko's death yet. All the possible versions are under investigation. According to one of them, the Soviet specialist was killed earlier, on July 7, before the agreement on freeing hostages was reached.

The Soviet Foreign Ministry got in touch with its ambassador to India and asked him to demand that the Indian government carry out a most careful investigation of what had heappened.

The safety of the other 2 Soviet specialists (an engineer with his family and a translator) working at the "Mandarina" coal mine in Assam is ensured, the diplomat said. there is no threat to the Soviet specialists working in other Indian states, said O. Ivanov.

Sub-Saharan Africa

South African Official on Relations

MB1607120891 Moscow Radio Moscow in Afrikaans 1900 GMT 13 Jul 91

[Interview with Dr. Gerrit Olivier, head of the South African Interest Office in Moscow, by Radio Moscow announcer Lukas Venter; place and date not given—recorded]

[Text] I'm Lukas Venter. Dr. Gerrit Olivier, head of the South African Interest Office here in the USSR, recently assumed duty in Moscow. He has agreed to be interviewed by Radio Moscow. Mr. Olivier, I know you were a lecturer at various universities in South Africa, and also did research at Harvard University's International Relations Center. Your posting here is your first overseas mission. What role did the USSR play in your studies?

[Olivier] I was always interested in the USSR, not merely from a political but also from a cultural point of view. I like to read Tolstoy; I am a great admirer of his intellect and believe he is perhaps the greatest literary figure the world has produced. But my interest also included Russian culture in general. It is a great nation, and I have great respect for Russian history, its people, and their role in international politics.

[Venter] For many years there have been no diplomatic relations between the USSR and South Africa. What, in your opinion, led to the contacts being resumed?

[Olivier] We are living in a new world. The environment in which foreign policy is shaped has changed drastically. In South Africa too, coincidentally, major internal changes took place, and these two processes in both international and domestic policy jointly altered South Africa's perceptions, and also altered foreign government's attitudes towards South Africa. The impediments of the past—our and the USSR's preoccupation with certain ideological issues—gave way for a greater pragmatism, a greater realism. Both countries were changed to such an extent by circumstances that this interest office has now been established.

[Venter] Many people believe that President Mikhail Gorbachev's policy of new thinking was a catalyst for all the changes which are taking place in the world today. To what extent do you think this has also affected developments in South Africa?

[Olivier] Well, we do not live in a vacuum. The world is such now that everything influences everything else. For many years in South Africa we experienced a kind of intellectual fermentation. People were no longer satisfied with the status quo. I think President Gorbachev contribuded greatly toward removing the divisions which existed in the world, and which certain interest groups

clung to. But one must not underestimate the political and intellectual processes in South Africa. There was a great intellectual force in South Africa which in large measure led to the new South Africa which we are now experiencing.

[Venter] What do you see as your main task as the South African representative to the USSR?

[Olivier] Making friends. As you are aware, we have been isolated from your country for many years, and vice versa. The peoples of the two countries were cut off from one another. Stereotypes were developed. We saw the Soviets as devils, and they saw us as devils. One of my tasks will be to change these perceptions. We are both proud people, and both deserve a better understanding of one another. I would like to contribute toward correcting things.

The USSR is a super power, a member of the UN General Assembly and Security Council. It is a world figure, and plays a regional role as well. It plays a great role in the Third World. So it is in our interests to develop good relations with the USSR, in order that we too can serve our regional and national interests.

Trade is also an important factor. Yours is a huge country, with 300 million people who are moving toward a new economic dispensation, and I see our two countries complementing one another to a degree, to the benefit of both.

[Venter] But that can only take place once sanctions against South Africa have been totally lifted.

[Olivier] Yes. Yesterday the United States lifted their sanctions against us. We will have to wait and see what the Soviet government's reaction will be. But sanctions are crumbling, and I have no doubt that by the end of the year all these impediments will be removed internationally. We will be participating in sport and trade. Diplomatic doors are opening. Bear in mind that I do not represent a small part of the Suth African population. I see myself as representing all the people in our country, and I would like to believe that my presence here can serve all their interests.

[Venter] As you said earlier, in the past Soviets have seen South Africans as devils. But now, in the era of glasnost and perestroika, many of them think of South Africa as heaven. One could say with some certainty that many will be knocking at your door with the intention of leaving the USSR and emigrating to South Africa. What will be your policy toward immigrants from the USSR?

[Olivier] Well, I personally cannot think of a more wonderful country than South Africa. I have not yet seen much of the USSR, I have only been here in Moscow. But South Africa is certainly one of the last paradises on earth.

I am not here to act as immigration agent, but I could put it this way: We do not close our doors to people from outside, but we set very strict conditions. People must be able to integrate into our society, and be able to contribute toward the culture and so forth. Of course, we lack technical skills.

The more well trained technical people we can get, the more they will contribute toward job creation. But I cannot simply open the door to all who wish to emigrate to South Africa. We will study each case and follow our normal policy. But for the moment the question of immigration is not one of my priorities.

[Venter] What about the concept of an interest section? The only comparable thing I can think of is the U. S. representation in Cuba. What will be your functions?

[Olivier] Well, interest section is of course a neologism, it's an unusual concept. You have made a good comparison with Cuba and the United States. We fall under the Austrian embassy, but we have been given diplomatic accreditation from the Soviet Ministry of Foreign Affairs. We appear on the diplomatic list, we operate under the Viennese Convention. The USSR also has an interest section in South Africa. They have opened in Pretoria. Our present staff is small. We still have to find permanent accommodation. But we will expand in time. I did not want to arrive with an army of people who would not achieve much at the beginning. We are starting small, and will expand. I believe that even by the end of the year we will not have more than about seven or eight South Africans—that is, apart from the Soviet citizens we have hired to assist us.

[Venter] After the signing of the new unity treaty the soviet republics will have the right to establish their own representation in other countries. How do you see the relationship developing between South Africa and the other Soviet republics?

[Olivier] Well that is still a hypothetical issue for us. We will see how things develop, what type of feelers the states will put out toward South Africa, what possibilities exist; we are naturally very cautious of pluralism in other parts of the world but I think it would be very premature of me to comment on the issue at this stage.

[Venter] There are several South Africans in exile in the USSR. Will your section assist them to return to the country of their birth?

[Olivier] Most definitely. According to the Pretoria Minute arrangements have been made for a general amnesty and I will gladly offer my services to such people. Wherever I can assist them I will gladly do so. At this stage I have not approached such people.

[Venter] Mr. Olivier, you are not the only representative of South Africa in Moscow. There is also an ANC representative. Do you have any contact with them?

[Olivier] I have already spoken to my friend at the ANC office at the end of April when I first visited the Soviet Union. They are naturally accredited to the Solidarity Movement and we are accredited to the Foreign Affairs

Ministry so it is not, as you have stated, two groups representing one country in the Soviet Union.

[Venter] My final question Dr. Olivier: You have not been in the Soviet Union for such a long time but you have been to Moscow. Can you tell us a little more about your impressions?

[Olivier] Yes. Moscow is more beautiful than I imagined it to be. I like the architecture. There is much more color than I expected. Red Square is a phenomenal place with mystique and ambience. The streets are wide. Moscow has a mystique all of its own and I know already that I will like the place. I have not experienced winter here but I am sure that I will be very happy.

[Venter] We hope so Dr. Olivier. We wish you success in your work and thank you for an interesting interview.

East Europe

Western 'Provocation' in SFRY Seen

91UF0974B Moscow NEZAVISIMAYA GAZETA in Russian 29 Jun 91 p 1

[P. Felgengauer article: "War in Yugoslavia: Have the Western States Provoked the Carnage?"]

[Text] There is civil war in Yugoslavia. Janos Jansa, minister of defense of Slovenia, is reporting hundreds of killed and wounded. Several combat helicopters of the Yugoslav People's Army (YuNA) have been shot down and tanks have been destroyed. The central government confirmed the loss of two helicopters. The country is celebrating another bloody "Vidovdan."

"Vidovdan"—the day of St. Vita—is 28 June (the 15th in the old style). On this day in 1389 the Serbians were defeated at the Battle of Kosovo by the Turks and for almost 500 years were deprived of their independence. On that same day in 1914 in Sarajevo the Serbian student Gavrilo Princip shot the Austrian Archduke Franz Ferdinand, which, as everyone knows, led to World War I. The war brought Serbia many misfortunes: The army was defeated and fled to the island of Corfu, and the country was occupied. But the reward for their suffering was royal—the kingdom of Karageorge received, after the victory of the allies, the former Austro-Hungarian provinces of Croatia, Slovenia, Bosnia and Hercegovina, Vojvodina, and the former independent kingdom of Montenegro into the bargain. Heterogeneous oblasts were artificially combined into a single body. Since that time the history of Yugoslavia—for the most part a history of interethnic enmity—has been at times obscure and at times open.

As in the USSR as well, all the republics and the autonomous oblasts in the Yugoslavia federation, united after the war by Josip Tito (Croatian by nationality), are ethnically heterogeneous. Almost everywhere there are ethnic minorities divided by longstanding, often centuries-long, mutual hatred so strong that our Transcaucasus and Central Asian strifes with their periodic carnage seem like petty quarrels by comparison. And there is no special southern Slavic mystique in this—it is simply impossible to force to live together in one state people who do not wish to live together in any fashion.

But the entire world community is trying to do exactly that: The United States, the USSR, and the countries of the EC together with France and the United Kingdom separately condemned the actions of the democratically elected governments of Slovenia and Croatia when they, on the basis of the results of national referendums, proclaimed state independence on 26 June. In essence, the Western democracies have pushed the communist leadership of the military and the Serbian Socialist (communist) leaders toward armed suppression of the "schismatics." On 27 June units of the YuNA occupied a whole series of strategically important objectives in the rebellious republics, and battles began in Slovenia.

However, under present circumstances it is difficult to decide who is the rebel and who is the legal authority. According to the constitution of Yugoslavia, the commander in chief of the YuNA is the president. This post (after the death of Tito) has been occupied by representatives of the republics for six months in turn. The latest president should have been a representative of Croatia, but the Serbian leadership blocked his election (or appointment), so that in Yugoslavia there is currently no constitutional head of the government who could order the army to begin military actions. Up to the last moment many hoped that it would be possible to avoid war. After all, no one, it seemed, wanted to fight in reality: Neither the Serbian leadership, nor the generals of the YuNA, nor, furthermore, the authorities of Slovenia and Croatia, who are proposing to begin negotiations with the goal of creating some kind of community of independent republics. But even in 1914 there was much talk of a peaceful settlement, but the shot rang out in Sarajevo, and after that everything seemed to happen by itself—they were "dragged" into war. But that is how wars usually begin.

In Yugoslavia at present there are too many weapons in the hands of different armed groups: Almost all the republics have already acquired their own forces. In addition, Serbia has managed to arm the Serbian minority in Croatian Carniola, and on 26 June Serbian fighters attacked the Croatian police. There is no doubt that the leadership of the YuNA (almost entirely Serbians) supports its own people in the end. However the military is not exclusively Serbian, and this means that other Slavic (and non-Slavic) peoples may be drawn into an armed conflict. (When a Macedonian soldier accidentally died in Zagreb, the capital of Croatia, a general mobilization was almost begun. However a fairly significant Albanian minority resides in Macedonia as well as in Serbia that is hostile to the Serbian population and to the central government).

They report that the Serbian minority in Bosnian Carniola is also arming itself to help the Serbians in Croatian Carniola and, if necessary, to unite with "Greater Serbia." (Carniola [Kraina] and Ukraine [Ukraina] have a common Slavic root). So even Bosnia has barely managed to remain apart from the conflict (the Bosnians are Muslims of Slavic origin—they make up a little more than half of the population in Bosnia and Hercegovina, and the rest are Croatians and Serbians).

As a result, the same situation which exists in Iraqi Kurdistan may arise in the center of Europe: At first armed conflicts and then a stream of refugees into neighboring countries. The conflict is even now taking on an international character, and the Western democracies, which only yesterday were in favor of the unconditional "preservation of the territorial integrity of Yugoslavia," will be compelled to intervene in the end. But it is too late. Events have already gotten out of control. The time for diplomacy has largely passed—the guns have begun to speak.

The situation in the USSR is too similar to that of Yugoslavia for the comparison to remain unnoticed although, as opposed to Yugoslavia and even Slovakia, in the Soviet Slavic republics there are perhaps fewer conflicts than in other regions. However the quite realistic prospect that the Soviet nuclear superstate might also break up seems so terrible that the Western democracies are prepared, apparently, to secretly sanction the maintenance of "territorial integrity" in Europe by any, even criminal, means.

But the cure may turn out to be worse than the disease. The war which has begun in the Balkans may, as in 1914, spread further, especially if some forces in the USSR see in Yugoslavia a successful example of the forcible resolution of ethnic (republic-level) problems. And they will be fully reassured by the unprincipled conduct of Western fans of "stability" at any price (so long as the price is paid by others).

Albanian Assembly Chairman Interviewed

PM1607140591 Moscow IZVESTIYA in Russian 15 Jul 91 Union Edition p 5

[Interview with Kastriot Islyami [name as transliterated], chairman of the Board of the Albanian People's Assembly, by correspondent B. Vasilyev in Moscow; date not given; first paragraph is introduction: "In Search of National Consensus"]

[Text] Kastriot Islyami is a scientist, a physicist by education. He is 39 years old, a nonparty person. At the first session of the Albanian parliament elected at last spring's free elections, the first in the country, he was approved as chairman of the board of the Albanian People's Assembly. This was his first trip to Moscow as head of an Albanian parliamentary delegation. Before he returned home K. Islyami received your IZVESTIYA correspondent and answered his questions.

[Islyami] The aim of our trip, made at the invitation of the USSR Supreme Soviet, K. Islyami said, is to open a new page in relations between our countries after a break of 30 years. It seems to me we have fulfilled this mission entirely. The interest displayed in our visit by the top leaders of your country made a particular impression on me. And above all I have in mind the meeting with President M.S. Gorbachev and the talks with other eminent Soviet figures.

And although these meetings took place according to official protocol it was clear from their content and attendant atmosphere that we were being received as friends, that despite the hard years which had elapsed, our peoples' friendly relations toward each other had remained unshakeable.

I am sure that we should not recall the past now, we should look forward, only forward, in order, as I have already said, to open a new page in our relations. From many people in Albania, incidentally, and thousands of them have studied in the Soviet Union, I heard of the good feelings which defined our relations at the time. Now, having come here, I can feel it for myself.

Perhaps that is my main, my biggest impression of my present visit.

As for the official, business part of the visit, irrespective of the fact that Albania is a small country we felt everywhere your leaders' readiness to restore our relations in full and to develop and expand them to all fields—politics, the economy, culture, science, and education. We were told that the doors are open to us here.

I should like also to stress the very tangible support which the Soviet Union gave during the period of Albania's entry into the Helsinki process. In this connection I must note—and that is not only my opinion, but also the opinion of the entire Albanian people—the role of President Gorbachev as the inspirer and initiator of the process of democratization in Eastern Europe and of the processes which began there and which have had specific influence on the events in Albania too.

[Vasilyev] The Albanian parliament has for the first time been created on a multiparty basis. What are the results of its first steps? What difficulties have you encountered in your new work?

[Islyami] It may be said specifically that the wish of the majority of the population was fulfilled at the election of the new parliament and for that reason we are now worried most by the problem of how to make more successful use of this pluralism we have created, how to work in a multiparty parliament. The present period is a transitional period, a difficult period. Inasmuch as this is only the beginning, we must finally reach genuine pluralism, which we do not yet have but which I am sure we will have in time.

At the start of our parliament's work there were great complications in work. They were caused primarily by

the lack of the necessary democratic culture, the lack of democratic traditions. I shall recall that the overwhelming majority of deputies elected to the new parliament were not politicians, they were mainly intellectuals and worked in various fields of our society and had the most diverse professions. And although they all had a burning desire to develop parliamentary democracy they have acted in such a way that the efficiency of parliament's work has been extremely low.

For instance, it would happen that the opposition would switch to the offensive too vigorously, causing keen resistance from the ruling party, which did not want to surrender its positions. In the first days of parliament's work it was extremely hard to reach a consensus. We had to hold long conferences at plenary sessions and in talks with leaders of the parliamentary groups and with individual deputies outside the sessions. In brief, in the first month working was a very complicated matter. And that was the time when the new government was formed and the new president was being elected. There were very many debates over the bloody events which took place during the days of the election in Shkoder. The parliament assessed that tragedy as a blow against democracy. Another complex element which we also discussed for a long time in parliament was the general strike, which began 16 May. Those taking part insisted on the government's resignation. And again we came up against the fact that the two forces in parliament reacted to this in utterly different ways.

At the price of great efforts we succeeded in creating a new government, which we have called a government of national stability. It has been jointed by representatives of all political forces, all political parties. The tension in the work of parliament—political, economic, and spiritual tension—has declined drastically.

[Vasilyev] And what is the main feature of the new government—its multiparty nature or the professionalism of the new ministers?

[Islyami] The thrust is that in contrast to the first single-party government created immediately after the elections the new candidates for the posts of ministers were nominated by party factions. As for professionalism, the former government was in no way inferior to the present government. Moreover, I would say that from this viewpoint it was even stronger than the present government. Consequently the situation has been normalized precisely by the fact that the recommendations of the parliamentary factions which acted at the voters' will were considered.

After forming the government the parliament continued its work. But if various contradictory assessments have again appeared, then they have been caused primarily not by political motives but to a greater degree by the lack of experience in legislative and legal practice. We are now actively studying the experience of various states and using contacts with foreign lawyers and parliamentarians. I shall add that one important point on the program of our visit to Moscow was the setting up of contacts with the USSR Supreme Soviet and the study of the work experience of its apparatus and specialists.

[Vasilyev] As a scientific worker who has now become chairman of the board of parliament, had you encountered such serious political work before?

[Islyami] The majority—95 percent—of deputies have been elected to parliament for the first time. And they are all without any experience of legislative activity. Out of 250 deputies we have only 10 lawyers. In this period it seems to me that many intellectuals have had to a certain extent to make personal sacrifices, abandoning their main work. They include myself—a physicist and, moreover, a nonparty person.

Incidentally, I would not say that there is complete unanimity within the parliament factions. But different viewpoints appear most often only when discussing some issues. But when it comes to voting, it is primarily party discipline which has the upper hand. We are trying to insure that the majority of laws are adopted on a consensus basis. In practice that is what has been happening most often recently. But I can recall that in the first period of the new parliament's activity there was no consensus either in electing the president or in forming the new government, which later resigned.

[Vasilyev] Our press has reported that parliament has decided to hold early elections in the spring of 1992. In your opinion, what changes could occur in the makeup of parliament?

[Islyami] First of all we want to change the electoral system itself. We have had and now have operating a majority system and now it is proposed to adopt a proportional or mixed system. If we return to the 31 March elections and the parliament created on their basis then many people believe that they have not reflected entirely accurately the overall mood of the population. And indeed the times were such that many people, on joining the opposition parties, had not yet finally formed their own beliefs. First of all people denounced the past. But they had not yet determined their political positions. That is why it is very difficult to give any forecasts now. Time will tell.

I should like to take this opportunity to convey my warmest wishes to all readers of your newspaper and to all Soviet people.

West Europe

West's Cooperation With Gorbachev Viewed

LD1607151191 Moscow Radio Moscow World Service in English 1210 GMT 16 Jul 91

[Commentary by Anatoliy Potapov]

[Text] President Mikhail Gorbachev arrives in London this evening at 2300 hours Moscow or 2000 hours UTC

[GMT]. He arrives as a result of an invitation by the leaders of the Group of Seven leading world industrialised countries for a meeting with them. A view of the event by our commentator, Anatoliy Potapov:

[Potapov] And so the G-7 leaders have apparently familiarized themselves already on the eve of the meeting with Mr. Gorbachev's plan to be submitted to them by President Gorbachev. What is now taking place is truly unusual. The fact itself of the Soviet leader having been invited to the G-7 summit is a new departure in the history of such conferences. The nature of the contacts is also out of the ordinary—a discussion with all the seven leaders at once and talks with practically every one of them individually.

Will such an unusual meeting also become the starting point for an unusual process which might lead to favorable global changes in world politics and economy? We shall soon find out. Of course solutions of the issue of cooperation with the West and of support for the Soviet reforms is of extreme significance to the USSR at this critical phase of perestroyka.

This issue is also important for President Gorbachev as a political leader. Having outlined his plan to the leaders of the nine union republics before leaving for London and having obtained their full endorsement and having also won the backing of all the factions in parliament, President Gorbachev naturally hopes for the successful conclusion to his mission. I think that the conservative forces within the country and also those who don't wish to have any renewed Union established will quickly make use of any lack of progress in London, but for their own purposes.

But new forms of cooperation with the Soviet Union are at least as important for the world community. Judging by the latest statement of prominent political leaders on the eve of President Gorbachev's visit to London, the West realizes this. For example, the German Foreign Minister, Hans Dietrich Genscher, believes that to help the Soviet Union means in his words to invest in our own future and the future of a stable world. The French President, Francois Mitterrand, has spoken in the same spirit.

Meanwhile, a group of Western experts has prepared for the G-7 summit a report about rather slow action on the Soviet reforms. This, of course, is their opinion. But what is the crux of the matter? Without cooperation with the West, the course of the reforms, which are naturally an internal matter for the USSR, may slow down further because of the complex economic situation here. The Soviet Union will be looking for a way out of its own difficulties as it sees fit.

At this important phase, decisions on earlier questions, such as: Is it necessary to help Mr. Gorbachev ought to be reworded to read such as: Does the West need to influence the course of developments in the Soviet Union at a time when this nuclear superpower finds itself in a state of political and social instability?

And now the latest reports from London: The G-7 leaders have agreed on the text of a statement in support of the economic and political reforms by President Gorbachev. Concrete decisions are now to be worked out. Action on them would certainly help with an organic inclusion of the Soviet Union into the world economic space.

Commentary on Possible Treaty with EC

LD1307171791 Moscow Radio Moscow World Service in English 1210 GMT 13 Jul 91

[Commentary by Anatoliy Potapov]

[Text] During their recent meeting in Moscow, President Gorbachev of the Soviet Union and the head of the Spanish government, Felipe Gonzalez, spoke out in favor of signing a political treaty between the Soviet Union and the organization of the European Communities. Our observer Anatoliy Potapov comments on the idea:

It has been already a year and a half since an agreement between the Soviet Union and the European Communities on trade and economic cooperation came into force. Many a time, however, a question of broader cooperation not only in business but also in political spheres was discussed at different levels. Now Spain has voiced support for a political treaty between the Soviet Union and the 12 member countries of the European Communities. It looks like the organization of the European communities disregards the present difficult situation in the Soviet Union and is seriously examining the future of its relations with this country—what with its rich natural resources, vast territory, intellectual potential, and practically uncompetitive market.

The idea of signing a political treaty between the Soviet Union and the Organization of hte European Communities is a proof of its reasonable approach to evaluating the Soviet Union's economic and political development. The Paris Charter has outlined the principles of new Europe. However, the danger of potential conflicts has not been eliminated. To become strong, the new European structure needs firm foundations. Such firm foundations have been laid by the treaties the Soviet Union signed with France, Italy, Germany, and Spain. A political treaty with the organization of the European Communities would become another guarantee of collective security and single economic space.

One thing is clear—despite a wide range of opinions on the destiny of the Soviet perestroyka there is growing understanding in West European counties that stability in Europe and throughout the world depends a lot on the stability in the Soviet Union. Hence the desire to cooperate with the USSR, which is proved by the results of the recent Soviet-Spanish summit, as well as statements by Chancellor Kohl of Germany, President Mitterrand of France, and Prime Minister Andreotti of Italy. New conceptions and ideas advanced in Western Europe

make a long-term effective and large- scale cooperation with the Soviet Union more of a reality.

Woerner Cited on European Security

PM1507101991 Moscow PRAVDA in Russian 11 Jul 91 Second Edition p 5

[TASS report: "New 'Architecture' of Security"]

[Text] Bonn, 10 Jul—NATO Secretary General Manfred Woerner has expressed himself in favor of the Soviet Union's inclusion in a new all-European "architecture" of security..

"Right now," he said in an interview published today with the newspaper KOELNER STADT-ANZEIGER, "we are subordinating all other considerations to this idea. That means that we want to build a Europe which would be not against but with the Soviet Union."

Woerner expressed himself against the entry of the states of Central and Eastern Europe into NATO, pointing out that if that happened the USSR "would feel excluded from Europe or at any rate pushed aside." If we bring NATO borders closer to the Soviet Union's borders, he noted, that might have absolutely undesirable negative consequences in the USSR. That is why we are telling them (the states of Central and Eastern Europe—TASS note): You must not lose sight of the main aim—the creation of a new all-European order in the security field.

Touching on the question of the function of the North Atlantic alliance under the new conditions, the bloc secretary general noted that right now the direct threat of an attack by the Soviet Union on Central Europe has faded. In his opinion, at present, with utterly different relations with the USSR based on cooperation, it is essential to preserve the balance of forces in the face of the Soviet Union's "incredibly large military might" but to do this at a lower level. One more task of the alliance is to protect its members against other risky situations, for instance, the kind which were clearly manifested during the Persian Gulf war, or situations which could arise as a result of the political instability in the Balkans or the Soviet Union.

Woerner voiced the certainty that in the next 20 years NATO will still serve as a guarantor of stability in Europe and an important connecting link between Europe and North America. But the alliance will become only one of the components of the future all-European order in the field of security. It will be based on the Conference on Security and Cooperation in Europe, NATO, and also an alliance in the security field within the framework of the EC, which will be the nucleus of the political and economic unification of all European states.

Yanayev Meets Belgian Minister

LD1007124391 Moscow TASS International Service in Russian 0823 GMT 9 Jul 91

[Text] Moscow, 9 Jul (TASS)—USSR Vice President Gennadiy Yanayev today received Luc van den Brande, minister of employment and labour of Belgium, who is in the USSR on an official visit.

There was a businesslike and frank conversation, during which a broad range of issues in Soviet-Belgian relations was considered. The sides expressed profound satisfaction with the dynamic nature of cooperation betwen the USSR and Belgium in the socio-economic field. They noted the great importance of the conclusion of an intergovernmental agreement which would, by expanding the treaty and legal basis of bilateral relations, also be a practical step in the interaction of the Soviet and international labor markets.

Holds 'Businesslike' Talk

PM1207130191 Moscow IZVESTIYA in Russian 10 Jul 91 Union Edition p 6

[TASS report under the general heading "Official Reports"]

[Text] On 9 July USSR Vice President G.I. Yanayev received L. van den Brande, Belgian minister of employment and labor, who is on an official visit to the Soviet Union.

There was a businesslike, frank discussion, during which a wide range of questions of Soviet-Belgian relations was examined. The sides expressed profound satisfaction with the dynamic nature of Soviet-Belgian cooperation in the socioeconomic sphere.

Yazov, Finland's Rehn Discuss Issues

PM1207115991 Moscow KRASNAYA ZVEZDA in Russian 10 Jul 91 First Edition p 1

[Unattributed Report: "Meeting at the Defense Ministry"]

[Text] Marshal of the Soviet Union D.T. Yazov had a conversation with Finnish Defense Minister E. Rehn 8 July.

The USSR defense minister talked about the practical implementation of the Soviet defense doctrine, the measures to withdraw Soviet troops from the countries of Central and East Europe, and the completion of the reduction of USSR Armed Forces personnel by 500,000.

During the conversation the sides touched on questions to do with the present-day situation in Europe and the world and the possibility of building a new model of European security.

The sides expressed mutual interest in maintaining and broadening Soviet-Finnish military contacts. The

Finnish military delegation head confirmed her country's interest in developing military-technical cooperation with the Soviet Union.

The meeting took place in an exceptionally warm and friendly atmosphere.

E. Rehn laid a wreath at the Tomb of the Unknown Soldier by the Kremlin Wall.

Bids Farewell

PM1507092191 Moscow KRASNAYA ZVEZDA in Russian 11 Jul 91 First Edition p 1

[Unattributed report: "On a Tour of the Country"]

[Excerpt] Finnish Defense Minister E. Rehn, who is in the Soviet Union on an official visit at the invitation of Marshal of the Soviet Union D.T. Yazov, USSR minister of defense, set off on a tour of the country 10 July.

There was an official send-off ceremony at the airport, bedecked with the state flags of the Republic of Finland and the Soviet Union. The guest was seen off by Marshal of the Soviet Union D.T. Yazov; Army General M.A. Moiseyev, chief of the USSR Armed Forces General Staff and USSR first deputy defense minister; Colonel General of Aviation Ye.I. Shaposhnikov, commander in chief of the Air Force and USSR deputy defense minister; Fleet Admiral V.N. Chernavin, commander in chief of the Navy and USSR deputy defense minister; and other officials. [Passage omitted]

Finnish Foreign Minister Visits Soviet Border

LD1107190491 Moscow All-Union Radio Mayak Network in Russian 1330 GMT 11 Jul 91

[Text] Paavo Vaeyrynen, minister of foreign affairs of Finland, has spoken out in favor of abolishing the visa regime on the Soviet- Finnish frontier. He is touring Pohjois-Karjala to acquaint himself with the development of Soviet-Finnish cooperation in the areas of the country adjacent to the Soviet border. In an interview with the newspaper HELSINGIN SANOMAT he replied that, for the moment, a visa regime is necessary on the border, but in time one must go over to a visa regime like the one on Finland's western border, where the residents of the two neighboring countries can cross without official registration of visas.

Soviet Navy Chief in Finland on Visit

LD1607205491 Helsinki Suomen Yleisradio Network in Finnish 0800 GMT 16 Jul 91

[Text] Fleet-Admiral V.N. Chernavin, commander-in-chief of the Soviet Navy, has started an official visit in Finland. During his visit, which will last until Friday, Chernavin will get acquainted with the activities of the navy at the naval station of Turku and with the coastal artillery in the Turku archipelago.

Booklet on Gorbachev Visits to Norway, Sweden

LD1607030891 Moscow TASS in English 1835 GMT 15 Jul 91

[Text] Moscow July 15 TASS—Documents and materials describing the visits by President Mikhail Gorbachev to Norway and Sweden on June 5-6, 1991 were printed in a booklet put out by the political literature publishing house.

The collection includes both official speeches by the Soviet president and his replies to journalists' questions at a news conference in Oslo.

KGB Denies Press Reports About Defector

PM1607123991 Moscow IZVESTIYA in Russian 13 Jul 91 Union Edition p 1

[Item from roundup of IZVESTIYA, TASS, POSTFACTUM, REUTER, UPI reports: "KGB Refutes Norwegian Newspapers"]

[Text] A spokesman of the USSR KGB Public Relations Center told RIA that the KGB "is not confirming that Mikhail Butkov was or is its agent." While working as a correspondent for RABOCHAYA GAZETA in Oslo, Butkov mysteriously disappeared at the end of May, later emerging—according to Western media reports—to request asylum in Britain. Norwegian newspapers, citing informed sources, have claimed that Butkov carried out "espionage missions."

German Plane Escorted by Air Defense Forces

LD1607155191 Moscow TASS International Service in Russian 1445 GMT 16 Jul 91

[By correspondents Nikolay Kondratenio and Mikhail Utyanskiy]

[Text] Leningrad, 16 Jul, (TASS)—Escorted by two fighters and a helicopter from the USSR Air Defense forces, an M-20 type aircraft belonging to a private individual from Germany completed a flight from Helsinki to Leningrad yesterday. The reason for such an unexpected escort was an infringement of the rules for crossing the Soviet border.

Colonel Petr Grinak, one of those in charge of carrying out the operation, informed the TASS correspondents that a light aircraft had flown from Finland on Monday at 2004 Moscow time and without advance warning had crossed the USSR border. During the flight the pilot had deviated from the established international air route and did not make radio contact.

"Two fighters and a helicopter were sent up. However, cloud cover and storms prevented them from reaching the trespasser and they continued to escort the target', the colonel said. "At 2045 a report came from Leningrad's Pulkovo Airport that the air traffic controller in

Helsinki had forgotten to inform the Soviet side of the M-20's flight because of his workload."

The trespassing aircraft is now at Pulkovo Airport. An investigation into the incident is being conducted by a special commission of experts.

Last Soviet Warship Leaves German Waters

LD1507205491 Moscow TASS in English 2043 GMT 15 Jul 91

[By correspondent Igor Osinskiy]

[Text] Berlin July 15 TASS—The last Soviet warship left the port of Sassnitz today, heading for the USSR. This departure ended the 46-year stay of Baltic Fleet ships in Germany.

Apart from Soviet and German sailors, the seeing-off ceremony was attended by residents from nearby towns and villages. The orchestra played the Soviet and German anthems.

German warships saw off Soviet sailors to the border of German territorial waters. The farewell salvo was fired there.

Officials Comment on Greek Premier's Visit

OW1607081891 Moscow INTERFAX in English 1200 GMT 15 Jul 91

["Diplomatic Panorama" report by diplomatic correspondent Mikhail Mayorov: "USSR Believes Dialogue in the Balkans Can Help Stiffen Regional Security"; transmitted via KYODO]

[Text] The Soviet Union is supportive of the newly-emerging cooperation in the Balkans as part of the European process, said officials of the Soviet Foreign Ministry's 3rd European department in the run up to a two-day visit to the Soviet Union, due to start on July 22, by the prime minister of Greece, Mr Konstantinos Mitsotakis. Soviet diplomats believe that dialogue in the Balkans can help strengthen security in that traditionally uncalm area, particularly in the light of dramatic events in Yugoslavia.

On Cyprus which is likely to come on the agenda of talks in Moscow along with the issue of regional cooperation, foreign ministry officials referred to the Soviet package of proposals of January 21, 1986 which spelt out support for the republic's continued independence and territorial integrity on the basis of the relevant UN resolution for a negotiated settlement to the long-running conflict which broke out in 1974. In this sense, the Soviet Union is backing up the UN secretary general's goodwill mission.

The centrepiece of the Greek prime minister's two days of talks in Moscow early next week will be the signing of a bilateral friendship and cooperation agreement in the spirit of the Paris Charter for a new Europe. Earlier, the Soviet Union signed similar agreements with France, Italy, Germany, Romania and Spain.

Falin, FRG Aide Discuss Soviet Germans

PM1207115391 Moscow PRAVDA in Russian 4 Jul 91 Second Edition p 4

[TASS report under the general heading "Official Reports"]

[Text] A meeting was held 3 July between V.M. Falin, secretary of the CPSU Central Committee and chief of the CPSU Central Committee International Department, and H. Waffenschmidt, parliamentary state secretary at the FRG Interior Ministry. During a constructive talk they touched on issues relating to the establishment of an autonomy for Soviet citizens of ethic Germans origin.

Miners To Sell Coal to Spain

LD1407131991 Moscow Russian Television Network in Russian 1700 GMT 13 Jul 91

[From the "Vesti" newscast]

[Text] In the course of talks between the miners of Mezhdurechensk and a Spanish firm, an accord has been reached to sell coal abroad. The coal will go abroad to Spain directly and through the Kuznetsk commodity and raw material exchange.

Stoltenberg on Rumors of CW in Eastern Germany

PM1507102791 Moscow IZVESTIYA in Russian 11 Jul 91 Union Edition p 1

[Report from IZVESTIYA, TASS, RIA, INTERFAX, REUTER roundup: "Minister Rejects Conjecture"]

[Text] FRG Defense Minister Gerhard Stoltenberg has denied local press reports claiming that the Soviet Union "kept chemical weapons on what was GDR territory until recently," and were taken out of the country "only a few weeks ago." At a press conference he noted that the Defense Ministry is not aware of any facts to substantiate these claims.

Vatican Official Arrives in Moscow for Talks

LD1507212791 Moscow TASS in English 1447 GMT 15 Jul 91

[By correspondent Anna Grigoryeva]

[Text] Moscow July 15 TASS—Cardinal Edward Cassidy, president of the Pontifical Council for Christian Unity, has arrived here. Today Cassidy is expected to meet Patriarch Alesky II of Moscow and All Russia at his residence in the St. Daniel Cathedral.

"The forthcoming talks will focus on the entire range of difficult problems in relationship between the Russian

Orthodox Church and the Vatican", a spokesman for the Moscow Patriarchy told TASS.

During his visit Cardinal Cassidy will meet Metropolitan Filaret of Minsk and Grodno, exarch of Belorussia, as well as Metropolitan Kirill of Smolensk and Kaliningrad, chairman of the Moscow Patriarchy's foreign relations department.

Latin America & Caribbean

Cuban CP's Aldana on Prospects for Change

PM1607135091 Moscow PRAVDA in Russian 15 Jul 91 Second Edition p 7

[Interview with Carlos Aldana, member of the Communist Party of Cuba Central Committee Secretariat, by correspondent Yu. Stroyev in Moscow—date not given: "Cuba: Changes Are Needed, But What Changes?"]

[Text] Cuba is now experiencing one of the most difficult periods in its 32 years of postrevolutionary history. Some experts argue about the need for and nature of possible reforms. Others, especially Americans, predict the collapse of the system in the near future, and are drawing up a new system to suit themselves. Carlos Aldana, a party leader, is convinced that "only Cubans, and no one outside the island," should decide whether they need changes, and if so what kind. A major discussion of this lies ahead at the Fourth Congress of Cuba's ruling Communist Party. We met in Moscow, where C. Aldana was head of an official Cuban Communist delegation, here at the invitation of the CPSU Central Committee.

[Stroyev] The change in the timing of the Fourth Congress has prompted various reactions in world political circles. Western observers, for instance, saw it as an indication of the existence of conflicts in the party and country. How far is that true, and what actually is the reason for the changes?

[Aldana] There were indeed a great many misinterpretations. But I can assure you that there is no question of any political reasons or internal conflicts. At first we had indeed thought of holding the congress in the first half of this year. What stopped us was... the Pan-American Games, scheduled for August. The right to hold the games is granted to each Latin American country once every 20 years. Cuba, despite its difficult economic position, has invested considerable resources in preparations for this festival. And therefore it was decided to postpone the congress until the fall.

The congress will open 10 October in the city of Santiago de Cuba, and the nomination of candidate delegates began in July. We expect 1,800 delegates to be elected, one-third of them directly at meetings of grass-roots party organizations. It may therefore be said with confidence that the majority at the congress will represent the primary organizations and labor collectives. The forum, to which we are devoting enormous attention, will take place in a modest and rigorous atmosphere, without excessive spending or lavish celebrations. We are preparing for serious work, for a businesslike discussion of the most important problems.

[Stroyev] What are the main questions that the delegates will discuss?

[Aldana] We will analyze the process of "rectification of errors" that began in late 1985. In the course of the formation and development of society it has not been possible to avoid negative trends, especially in the economy. We have been trying to rectify these for more than five years. The time has now come to discuss what has and has not been done. Also, we will examine the wishes put forward by Communists and all the people in the course of the discussion of the slogans for the congress. This means improving and further democratizing party structures and strengthening the organs of people's power.

Of course, the main question, it must be admitted, is still the economic situation, which has deteriorated markedly as a result of the reduction in Soviet deliveries. This problem has now been largely resolved thanks to the mutual understanding that has been reached between the two countries' specialists and economic organizations and thanks to the political will of the Soviet and Cuban leadership. New forms of cooperation have been found for the transitional period. And although for us this means a reduction in potential purchases from the USSR, we regard the results as favorable and satisfactory. All the same, problems remain. This time, it is problems with the concrete implementation of the commitments taken on by enterprises, firms, and various organizations. We realize that these problems are due to internal difficulties in the Soviet Union, where the old economic management system has ceased to exist and the new one is not yet operating. But that puts too much pressure on us. Naturally, the congress is bound to discuss this question, and a line of action must be formulated for this year and next. We are forced to speak of a "peacetime emergency"...

[Stroyev] "Saving the country is our priority"—Cuban political and state leaders noted at a meeting with the Young Communists Union. Who or what threatens the country?

[Aldana] We say "Save the motherland—save the revolution," because we feel constantly under threat. To avert economic disaster is to save the revolution. The country must be prepared, and in the event of a complete cessation of Soviet deliveries (as yet this is only a possibility, it has not become a sad reality, and we hope it will not), it must be prepared for worse times. Cutting off oil supplies would be enough to bring the whole economy to a standstill. It is therefore necessary to learn to use the available potential more efficiently than ever before. And in so doing we have no right to forget about

health care and education in the country or to abandon strategic development plans.

[Stroyev] It is quite a long time since an official Cuban Communist delegation came to the USSR. What is the reason for this? How are your relations with the CPSU now shaping up?

[Aldana] You are right. In the past two or three years various Soviet party and state leaders have visited Cuba. So we have become the debtors in the traditional interparty exchanges. There has been a lot of work, a lot of problems, both in Cuba and in the Soviet Union, and therefore we looked for a time that was convenient to everyone. And that time has come. Our talks in Moscow took place in a friendly, sincere, and open atmosphere, an atmosphere of trust and mutual respect that is characteristic of our relations with the CPSU and with Soviet Communists.

We look with understanding at the situation in the USSR and the need for changes, renewal, and self-awareness. On the other hand, we respect the decisions adopted on various matters by the Soviet leadership and the majority of the population, and we have faith in the ideological, ethical, and moral potential of Soviet society and of the Communists. We would like to see the Soviet Union strong and united, playing an important role in ensuring stability in the world and in resolving mankind's global problems.

We are attentively watching the developing events in the USSR, and frankly we do not always understand their underlying causes, trends, or the motives for the decisions adopted. Perhaps that requires closer ties. For Cuba, the situation in the USSR is a sphere of vital interest, because 30 years ago we linked our fate to yours. That does not mean that Cuba is following the same path. Every country tackles its own problems on the basis of concrete historical reality.

[Stroyev] People in the world today talk more and more often of a crisis in socialism and the international communist movement. What is the position of the Communist Party of Cuba on this question?

[Aldana] We believe we are living in a transitional period. It is hard to sum up the results as yet, and categorical assessments would be simply frivolous. You have to analyze the facts. There used to be socialist countries with communist parties in power. Now they have entirely changed direction. If a global phenomenon has arisen, the Soviet Union played by no means the least role in this. Something else is also obvious—if these processes did not suit the geopolitical interests of the West, and first and foremost the United States, the latter would hardly have supported the "new political thinking." And indeed, is the United States actually capable of thinking in a new way with regard to the self-determination of countries, as the Soviet Union has demonstrated? When M.S. Gorbachev was in Havana we discussed this question and were absolutely in agreement with him. We believe that it is not socialism as a historical alternative, not the Marxist concept, that is in crisis, but concrete historical experience which must be seen as being in the course of development. It is obviously necessary to take into account the universality of socialism, with its characteristic national traits. We, for instance, talk about Cuban socialism. Not as a model, but as a specific experience characteristic of our country alone. We do not impose our example on any other country. And we are in no hurry blindly to adopt someone else's experience. But it would be a mistake to deny the past and its lessons and merits.

People are constantly giving us all kinds of advice. If we were to follow that advice precisely, the Cuban revolution would already be over. The self-preservation instinct tells us what not to do if we want to survive. Some people are proposing a course of political suicide to us. We Cubans are sure that capitalism is not in the interests of "third world" countries.

[Stroyev] Comrade Aldana, let us get back to Cuba. Change, reforms—this is discussed not only in other countries, but by the Cuban leaders too. What are the changes in question?

[Aldana] We believe that we need changes that will promote our development and to some extent alleviate the pressure from outside, mainly from the United States and the Cuban counterrevolutionaries living there. Let us talk about our realities. The Cuban revolution was accomplished in a "third world" country, which means an underdeveloped country with a dependent economy, and, moreover, with limited power and natural resources. In the process of socialist building we opened up opportunities for certain trends. The main mistake was probably the idealization of the Soviet experience, the mechanical imitation of the Soviet model, especially in the sphere of economic leadership and planning. What you call the administrative command system did not work in Cuba. That held back our growth. Now a new model of economic development must be sought. The Cuban leadership showed flexibility and intelligence when, knowing that the administrative command system was not appropriate to our own development needs and was full of defects, it nevertheless did not reject or discard it. Otherwise, if we discarded the old without having created anything new, we would have been left with nothing. Fidel likened this system to an old mare pulling heavy logs. But we are riding on its back. It takes time, it is necessary to make accurate calculations taking into account political and social factors at every step. The new development model cannot permit the existence of unemployment. The ideas of social justice with which our revolution won victory and stood firm are not compatible with the ills that capitalism is heir to. We did not accomplish the revolution only to turn back now.

Changes in the country must without fail affect economic efficiency and the management of social processes. I may be accused of conservatism, but for us Cubans there is nothing more important than social

ownership and centralized planning, naturally with certain innovations. We believe that socialism is capable of planning for the sensible development of society. That is not to negate the market as an important component of the economy. Nor do we claim that the one-party system is obligatory in all circumstances. We are talking about Cuban realities.

In our country a multiparty system would mean only one thing—making the United States and the counterrevolution a present of what they could not grab by fire and the sword. On our part, that would be utterly stupid. With the introduction of a multiparty system, pro-American, petty bourgeois, and counterrevolutionary parties would spring up like mushrooms—even before the revolution there were no other political movements in Cuba, except for the communist movement. Even now our party is not monolithic in its views. But we are not going to connive at the emergence of political currents and social forces that claim power. We will seek to develop the one-party system in such a way that it constantly becomes more democratic. First and foremost, the party itself needs changes. The evolution of the party, of power, of democratic centralism, of socialism, in the direction of greater democracy is, we believe, necessary. But a practical, concrete application of this concept is needed.

[Stroyev] In other words, you are prepared to accept certain political changes or reforms, while retaining power...

[Aldana] Incidentally, in Cuba the party has never put pressure on the elections to the organs of people's power. And we did not have a single candidate, as in the Soviet Union, for instance. In Cuba the candidates are nominated not by the party, but by the people. And if the majority of the population adhered to the ideas of counterrevolution, then the counterrevolutionaries could easily come to power.

Changes in the country should be oriented toward strengthening people's and revolutionary democracy and should be increasingly socialist in nature. They are not designed to suit those who are called the opposition. I am not saying that no one in Cuba is dissatisfied, in disagreement, or even disillusioned in some respects. Of course there are people like that. But the opposition to the revolution, to socialism, is outside the country. And if Washington wants to establish normal relations with Cuba, then first it must stop seeing us as "international criminals." But in the present conditions of blockade, threats, and blackmail—and the United States maintains such relations only with Cuba—it is hard to talk to each other.

[Text] And we can hardly open up opportunities for other political parties and currents if they are all on U.S. territory. When we put these arguments to former American leaders, they agreed with us. There are no internal social and political forces in Cuba demanding antisocialist changes. There will be changes, and we ourselves are proposing them. What form they will take must be decided by the Cubans, not by someone outside the island. We realize the need for change. Perestroyka, the new situation in the East European countries, and ideas on the universal crisis of socialism have largely pushed us in this direction.

'No Obstacles' to Relations With Paraguay

PM1207152191 Moscow IZVESTIYA in Russian 10 Jul 91 Union Edition p 1

[Item from roundup of IZVESTIYA, TASS, RIA, INTERFAX, and REUTER reports: "Paraguay-USSR: Relations Possible"]

[Text] Diplomatic relations might be established between Paraguay and the Soviet Union even before the end of this year, Paraguayan Foreign Minister Alexis Frutos declared in an interview with NOVOSTI correspondents.

We are presently completing the legalization of our relations with Poland, Czechoslovakia, and Hungary, he said. The next stage will be the Soviet Union. There are virtually no obstacles to this now.

Supreme Soviet

More on 12 Jul Gorbachev Press Conference

PM1607091391 Moscow PRAVDA in Russian 13 Jul 91 Second Edition pp 1-2

[TASS report under the general heading "View of London from the Kremlin": "M.S. Gorbachev Press Conference"]

[Text] Jul 12—It is not hard to imagine the excitement there will be at M.S. Gorbachev's meeting with the press on the results of the talks with the G-7 leaders. World interest in this event is snowballing. And on 12 July, when the Soviet head of state, it may be said, simply snatched 33 minutes from his schedule to talk with journalists, there was no room to swing a cat in the parliament's vast reception hall.

"What a lot of you are here," said M.S. Gorbachev in amazement. "And each of you doubtless has a question prepared. Permit me a very brief comment then.

"I have just come from the USSR Supreme Soviet Presidium, where representatives of all the parliamentary factions were present. I was giving them my ideas that I shall be taking to London. My report was listened to attentively and there were questions. The result was this: They took note of the information and supported my ideas. Thus I am able to say there is understanding in the country. It takes into account the importance of the forthcoming meeting and the need for a discussion of the problems connected with the transition to new economic cooperation in the world.

When I speak of new economic cooperation I attach the following meaning to that term: It is a transition from the simple implementation of individual projects to the Soviet Union's organic inclusion in world economic ties on the basis of the rules of the game used in the world economy. Of course, this requires that we participate in the work of the world economy's most important economic institutions. As for the principled side of this problem, there must be reciprocal movement. And we must change before we join in this process.

The way we are changing now and will change in the future—that is one theme for London. But we expect reciprocal movement from other states because there are many restrictions of various kinds now. That is a consequence of a certain policy. Often those restrictions were adopted in cold war conditions. And they remain and get in the way—they are, after all, barriers to broad, mutually beneficial international ties.

So there is a major discussion ahead. However, if some of you still think that Gorbachev is going to London to go down on his knees and beg for aid from the leaders of the leading developed states, you cannot be serious. I believe that we all have an interest in ensuring that the process—which is developing into new forms of cooperation in the economic sphere and politics—will be accompanied by changes of a global character. It is important that it continues to rest on a firm basis of economic cooperation.

Therefore I hope that mutual understanding will be achieved and that we will move toward each other. I can say in advance and predict that all the processes born in the framework of the new thinking have brought us to today's situation, which has given us that opportunity.

The first question to the USSR President: What are the specific terms of the Union's inclusion in the world economy?

M.S. Gorbachev: In the framework of the concept, whose essence I have briefly spelled out here, I shall try to present to my partners—I know them all well, we have been cooperating for a long time—what is going on in the Soviet Union. If we intend to move toward each other I am obliged to show how we are changing.

It is important to understand me correctly: This is not a meeting of finance ministers but a dialogue of leaders of the world's major states. It will largely determine what is going to happen both in the sphere of economic cooperation within the framework of world institutions and in the matter of implementing constitutional drafts.

A colleague asked why there are no military men among the president's "London team."

"No battles using various categories of troops, either strategic or tactical, are envisaged," the president joked and immediately switched to the serious problem. "We will continue to cooperate in the sphere of converting our defense sector. This is probably the best indicator of how we are changing and where we are heading in opening the gates to the 'holy of holies'."

Speaking about how he sees the possible results of the meeting, M.S. Gorbachev said that the fact of its taking place is a success. I believe, he continued, that in this connection we can speak of a certain degree of mutual understanding. That will also determine how quickly cooperation begins to progress. And there is no longer any doubt that it will progress, the president stressed.

I think, he said, continuing the idea, that if we achieve the degree of mutual understanding I hope for, it will then be possible to talk about setting up some working groups for continuing the work in the sphere of [practical] applications on the basis of the political understanding achieved.

A question was asked which the USSR President has recently had to answer a number of times: Is the integration of the Soviet economy into the world economy possible without fundamental changes to all its foundations?

The answer was comprehensive: Without consistent movement along the path toward the market we will not succeed in joining in the world economic system.

Some reporters voiced their predictions of the meeting in London.

The president smiled: As a rule the press always knows more than anyone else. You even know things about the G-7 which aren't actually happening. But nevertheless, thank you for the help and suggestions. But to be serious—I consider the press' participation in this process an important matter. I would only add that even before the meeting I sent its participants a personal message.

A Japanese correspondent asked the Soviet head of state to say what kind of cooperation he expects from Japan in London.

"Greater cooperation than hitherto," the USSR president replied. "I have just received a message from Mr Kaifu. It was a good message. It constructively develops the dialogue begun in Tokyo. Generally speaking, the ice has broken, as we say."

There were a number of questions designed to elicit the president's attitude toward private property and the possibility of its ownership by foreign citizens. I proceed from the premise, M.S. Gorbachev replied, that our renewed legislation, the program of movement toward the market, toward a mixed economy, and repudiation of the total dominance of state ownership are creating conditions in which all forms of ownership will enjoy equal rights and be equally well protected by the state and by the Constitution. We shall have a state sector, of course, probably a considerable one, but the process of share issuing will be vigorously pursued. The people are showing interest in it. People want to be the masters. The only thing that they do not want is for the wealth accumulated by the labor of generations to fall into the hands of sharp dealers in the "shadow" economy.

It should be noted that the process of small-scale privatization is already underway. There must be laws affirming the right of each individual to use any form of economic activity, any form of ownership. That is the main thing. There will, without fail, be a mixed economy, it is characterized by the high level of freedom of commodities producers. But it is very important to correctly elaborate the terminology in everything relating to ownership. Then the confusion will be cleared.

Continuing this acute theme, M.S. Gorbachev touched on the question of land ownership. The decision here is the prerogative of the people themselves, he said. Thus at one time I put forward the idea of a referendum on this question. Nevertheless, I am convinced that we need a land reform based on the principles of the transition to all forms of land ownership. I want the land to be transferred on certain conditions to ownership with the right of inheritance. Then people will feel that they are masters of the land. I believe that the question of ownership of the land can be resolved in different ways in different republics.

Replying to a question, M.S. Gorbachev stressed that in his opinion cooperation after London will develop primarily not in the financial sphere but in the sphere of the joint implementation of large-scale economic programs. These are adjustments of fundamental significance which we are making to our approach to the new foreign economic partnership. It is possible to create a republican organ which, among other things, would deal with foreign investors, the president said.

Summarizing the positions and proposals of the republics in the "Nine plus One" formula on the eve of his visit to London, M.S. Gorbachev noted: They all approve the idea of the meeting and support the continuation of movement along the path of democratization, the market economy, and the strengthening of accord. One journalist expressed the fear that the opponents of the course that the country is now following are becoming increasingly active. Where do you, as president, see the guarantee for the world and for us that this course will not change, he asked the Soviet head of state.

Those who accuse the present leadership of various deviations from the "line" often try to juggle the arguments around and exploit our present-day difficulties and the ailments of the transitional period. But people expect improvements. That is why the reforms must proceed, M.S. Gorbachev said.

Where is the guarantee that they will be implemented? It is in the fact that, despite all the criticism, people support the movement toward the radicalization of these changes. They want to enter the new system of economic activity as quickly as possible and to deepen democracy and the rule of law. Hence the support for the course of reforms and the accord which are strengthening in society.

The people are pinning their hopes on common sense. With those words the president ended his meeting with the press.

PRAVDA Perceives Trends Toward Accord

PM1707093691 Moscow PRAVDA in Russian 15 Jul 91 Second Edition p 2

[Article by PRAVDA parliamentary observer Miroslav Buzhkevich: "Embarking on a Path of Accord: Polemical Postscript to the Fifth Session of the Country's Parliament"]

[Text] The fifth session of the USSR Supreme Soviet, which finished at the end of last week, proved the longest in the whole of its two years of work —it lasted about five months. Let me stipulate at once that my observations do not claim to be a full analysis of its results. I merely wish to draw the readers' attention to certain trends that emerged in the parliament's work in recent months.

However, first let me remind you of the main events of this session. It worked intensively. Basically there was a

major step forward, if not a breakthrough, in the creation of the laws that make up the legal basis of the transition to a market economy. A pivotal element of this framework is the Laws "On the Basic Principles of Destatization and Privatization of Enterprises" and "On Entrepreneurship." Maybe for the first time in its entire existence the parliament was not lagging behind, but kept pace with the country's life, or even ran on ahead.

As V. Vologzhin, chairman of the parliamentary Committee for Economic Reform, rightly noted, a fairly reliable mechanism has been installed to regulate our entry into the market. Let me add that this mechanism was created in close contact with the republics and their Supreme Soviets. An example is the drafting of the Law on the Basic Principles of Destatization and Privatization of Enterprises. Its text was twice sent to the parliaments of all the republics. Those who drafted the law studied analogous legislative acts that had already been adopted or were being prepared for discussion in the Baltic republics, Kazakhstan, and Russia. All this is what gave rise to the high legal standard of the Union law.

Here I would like to dwell on the widespread view that many laws adopted by the Union parliament are not fully effective or are not working at all. Well, this has been known to happen. And there are many reasons for it. First and foremost the notorious "war of laws." This has already been discussed many times at various levels, and in the press, so I do not propose to analyze its origins. But it is worth taking a closer look at the other reasons. Many people judge laws by the same yardstick as rayispolkom [rayon soviet executive committee] decisions: You adopt them today and rush to implement them tomorrow. People forget that legislative acts are, as a rule, designed for long-term operation. They come into operation when the flywheel gets moving, and that takes time. We can only judge their effectiveness after a year or two. There is also a third factor: the legal quality of the law. Here the blame lies with those who make the laws. That is why parliament has recently been so thoroughly and scrupulously discussing, amending, and polishing the draft laws. The preparation of the "market" laws and their linkage with the relevant republic documents has indeed ensured quite high quality. Although these too will be perfected in the light of practical experience.

In the course of the fifth session a certain regrouping of forces took place in parliament. How was it before? A representative of the Interregional Deputies Group would get up and speak, and next on the rostrum would be one of the orthodox, promptly refuting the "previous speaker's" proposition. And vice versa. Parliamentarians often acted according to the principle: He's not one of us, so there is no need to support him. And the debates turned into battles of group interests.

The dividing line now runs through the main, fundamental question of our future paths of development. And representatives of groups and factions that were rivals only yesterday are now not infrequently found on the same side of the barricades. This was apparent during the discussion of the Law on the Basic Principles of Destatization and Privatization of Enterprises. It was this—consensus on the choice of path—that determined the adoption or rejection of the concept behind this most important legislative act.

Among those who came out in favor of approving the law there were Communists and nonparty people, "Interregional" people and "independents." They criticized its shortcomings, but from a constructive standpoint, seeking to make the "Basic Principles of Destatization and Privatization of Enterprises" a legally mature document that will emancipate and accelerate the process of transition to a market economy. In the opponents' camp we see representatives of the very same groups.

The approval of a diversity of forms of ownership and the breaking down of totalitarian structures is inconceivable without a breakthrough in people's consciousness. And that is a long and painful process. I was not in the least surprised at the words of Deputy L. Sukhov, who said at the session: "We were in Leningrad. They have set up a workers' union there. None of them understands the law on privatization. Many of us have not yet grasped it either." There is nothing unexpected about this. For decades the people were raised in a different spirit: Competition is a bad thing, entrepreneurs are rogues, merchants are enemies, and enterprising people are suspicious characters.

We used to declare widely that everything belongs to the people: the land and the factories. But each individual had no sense of being the owner of all this wealth. In practice they belonged to the state, which itself had turned into a cruel exploiter. But unfortunately many people did not and still do not understand that. And they believe that going over to the market system means destroying socialism.

That is why certain deputies were alarmed: They are foisting capitalism on us and preparing to mercilessly exploit the workers and peasants and impoverish the masses. Here is an example of this line of argument. R. Tsykalo, who began his speech with the highly significant form of address "Citizen Deputies," then said: "Our discovery (meaning destatization and privatization of enterprises—M.B.) is simple and brilliant: The gray mass who build things—millions of people—will remain a mass, incapable of being reborn as entrepreneurs and businessmen, and their lot—to drag out the miserable burden of existence—will stay as it was."

It was explained to him and those who share his views that in a rule-of-law state that has made the socialist choice, that will not happen. That capitalism itself has long since borrowed ideas from socialism. We gave the people considerable social benefits, creating a powerful sphere for this purpose, but then we ourselves ruined it and impoverished it, reducing people's social protection to miserly levels. Meanwhile in the developed countries, realizing the need for such protection, they began to

make provision for it, and were highly successful in so doing. The evidence is to be found in their population's high living standard.

But no arguments worked on the opponents of the market. The "denunciatory" speeches of the orthodox contributed to this.

Ye. Ligachev stated that if things go as far as the selling off of social property to private individuals, the capitalization of the country, and the further weakening of the Soviet Union's international positions, that is tantamount to betrayal of the people and the Fatherland. "We have already contrived in a short space of time (I say this in sorrow and in recognition of my own guilt) to squander much of what the people had gained over the decades." He proposed that destatization be carried out, while ruling out the privatization of property.

These debates did not, of course, leave no trace behind. Important amendments were made to the law. In particular, for the transitional period labor collectives are granted considerable rights in resolving questions of the privatization of enterprises.

And all the same, as life shows, it is not only a matter of laws. It is a question of millions of people overcoming the established stereotypes and misinterpreted principles. That depends on how boldly and radically the planned reforms are implemented. The people will support them if they at last begin to sense some improvement in life.

The second dominant theme at the session was the discussion of and support for the draft new Union treaty. We have reported in detail the progress of the debates on this document. I only want to dwell on one point. In the press, as at the session itself, voices have been heard saying that after the well-known "Nine plus One" agreement, parliament's days are numbered—it will be dissolved in the fall. Of course, there are forces that would very much like this—after all, the USSR Supreme Soviet is increasingly becoming a factor for stabilization of the situation in the state, and its opponents seek the disintegration of the Union or its reduction to the status of poor relation receiving the meager crumbs of existence from the republics' "table." But that cannot be, a federal state is a union, a combination of a strong center and strong republics.

True, the present parliament will in time lay down its powers. But that will not happen tomorrow, perhaps not even a year from now. A change of power is inconceivable without continuity—after all, it is not a question of creating a Union, but of reforming one that already exists, on new principles. Therefore this change of power, A. Lukyanov believes, should take place smoothly and gradually, in accordance with the established legal procedure, after the adoption of the country's new Constitution and a new election law, as the draft treaty stipulates.

The debates culminated in the speech by Yu. Blokhin, who, on behalf of the "Soyuz" group, demanded that the draft treaty not be approved, since it lays the foundations for a confederation. Although this contains an element of truth, it is strictly relative, and the deputies did not support the proposal. Of course, the draft treaty is still far from perfect. But, as many speakers noted, there is the possibility of perfecting it. Nor must it be forgotten that this document, being to some degree the result of compromise among the participants in its drafting, is a step forward, a real chance to alleviate the confrontation between various political forces and stabilize the entire situation in the country.

Therefore parliament supported the draft treaty, by a majority of votes. And it instructed the Union delegation that will sign the treaty to be guided, in finalizing it, by the proposals put forward by deputies, which included many important and fundamental points.

This is another indication that despite the existence of different views the deputies have learned to find a consensus when the fate of the country and people is at issue. Evidently a certain polarization of forces, the clash between active reformers and restrained conservatives who are not yet prepared to renounce their obsolete views, has ultimately not prevented the attainment of the accord that is so necessary to everyone.

And so we are embarking on a path of accord. This is confirmed by the meetings at Novo-Ogarevo and the results of the fifth session of parliament. True, it is still rather a fragile accord. Now the main thing is not to stumble and not to turn aside from this path.

Political & Social

Shatalin To Lead 'United Democratic Party'

LD1707015591 Moscow Russian Television Network in Russian 1700 GMT 16 Jul 91

[Report by correspondent S. Rybin—recorded]

[Text] [Rybin] Stanislav Shatalin, Svyatoslav Fedorov, Nikolay Travkin, and (Stanislav Belorokin) announced the formation of a new party at a news conference today, the United Democratic Party. They are not intending to repair the communist uniform, which is coming apart at the seams, but to completely change our sociopolitical system. The party will thereby struggle for power in a nonviolent, civilized, parliamentary manner. The new party is a party of concord.

[Shatalin] (?We) also want a real opposition to the CPSU. We are against the ideology of the CPSU, but we are not opposed to any member of the party, because ideology, the institution and individuals are different concepts.

[Rybin] Stanislav Shatalin has become the chairman of the United Democratic Party, and it looks as if Svyatoslov Fedorov may become its ideologist.

[Fedorov] It is of no advantage to work in this country; in this country today it is advantageous to be a layabout and steal. The entire system is built on stimulating precisely not productiveness, but on how to divide things up best and grab as much as one can. Democracy should first exist in the economy, and then it will exist in politics.

[Rybin] It is proposed that the inaugural congress of the new party—representatives of Central Asia, Azerbaijan, and the Ukraine have already stated their desire to participate in it—should be convened no later than September.

To Form 'Real Opposition'

OW1707023391 Moscow INTERFAX in English 1800 GMT 16 Jul 91

[Transmitted via KYODO]

[Text] "Our party is to form a real opposition to the CPSU", the leader of the United Democratic Party [UDP] Stanislav Shatalin has declared today in Moscow.

"Our goal is to change completely the social, economic, and political structure of the country. We will contest the power through constitutional parliamentary channels. We oppose the Communist Party's ideology, not this or that of its leaders", stressed Stanislav Shatalin.

The UDP intends to take part in next year's parliamentary and presidential elections—announced the deputy-chairman Nikolay Travkin. "Our party will unite on a confederative basis. Each republic will keep its own party—8 out of the 9 which have signed the Union treaty. Belorussia is out. But we still hope to have its agreement", said Nikolay Travkin in conclusion.

Rutskoy Wants To Join Democratic Movement

LD1607124291 Moscow Central Television First Program Network in Russian 1200 GMT 16 Jul 91

[From the "Television News Service" program]

[Text] The leaders of the intra-party movement Communists for Democracy, which is headed by Russia's Vice President Rutskoy, have issued an appeal for the formation of a new party—the Democratic Party of Communists of Russia. The new party would join the recently formed Democratic Reform Movement, of which Colonel Rutskoy was an initiator.

Shevardnadze Launches New Book; Views Reforms

OW1707023091 Moscow INTERFAX in English 1800 GMT 16 Jul 91

[Transmitted via KYODO]

[Text] A presentation of Eduard Shevardnadze's book *My Choice* has been held in Moscow today, Tuesday, at the news agency NOVOSTI.

During the ceremony E. Shevardnadze said that in his book he was defending democracy and freedom, also the policy of new thinking put forward by restructuring. Lately, he warned, the policy "has been severely criticized and even revised".

The former foreign minister pointed out the growing social tension and falling living standards. This might result in a social upheaval followed by a dictatorship. "I can't rule out that reactionary forces could rally since they command better organisational structures".

To avoid that, he continued, all democratic forces should unite to create a normal democratic mechanism that would prevent such a turn of events.

That's the aim of the recently set up Movement for Democratic Reforms—explained Shevardnadze. He said the movement was meant as a constructive opposition necessary in any politically sound society.

At the same time he refuted allegations that the movement is meant as a "niche for President Gorbachev" if he risks a split of the Communist Party at the next plenary session of its central committee and takes out the democratically-minded Communists.

On the coming meeting of the great seven in London attended by the Soviet president Eduard Shevardnadze commented that "was can't expect the president to return a rich man".

The Soviet Union can't expect more credits. We need, continued Shevardnadze, mutually beneficial cooperation, partnership, and foreign investments. "Our worst mistake was not to begin that process 4 of 5 years ago", he stressed.

Shevardnadze sharply criticized the programme of Prime Minister Pavlov calling it "pro-crisis" instead of anti-crisis.

As to Yavlinskiy's programme, he said it gives a good chance to get out of the crisis.

More details of Eduard Shevardnadze's press-conference will be given in our Diplomatic Panorma tomorrow—July 17.

Cabinet of Ministers Notes Fuel, Power Problems

LD1607154191

[Editorial Report] Moscow All-Union Radio Mayak Network in Russian at 1400 GMT on 16 July carries a 2-minute report by correspondent Valeriy Kiosa on the 16 July session of the Presidium of the Cabinet of Ministers. Kiosa says the Presidium examined fuel and power supply problems. This industry faces quite a few problems, she says. Oil extraction is decreasing.

Speakers at the session noted two issues for discussion. The first was funding for the current year. The second was the strategy for oil and power industry development for 1992 and beyond, Kiosa says. In 1991, the shortage

of funds needed for the normal development of this industry amounts to R23 billion. Certain decisions of the Cabinet of Ministers showed how this money could be earned. It is possible to sell 10 percent of the product for commercial prices or to get tax relief on products necessary for the development of the industry, she adds.

Other means of finding the money were also specified. The Presidium decided that such earned money would be, completely or partially, invested in the fund for the stabilization of the fuel and power industry.

Kiosa says the Presidium also noted that the following problems must be resolved: the increase in oil extraction, foreign participation and new technology. For instance, only 60-65 percent of oil is refined in the USSR, it is up to 90 percent all over the world. The oil industry depends greatly on foreign supplies of spare parts and equipment. If things continue the way they are going now, Kiosa says, in a couple of years all hard currency profits will be used to ensure the work of the industry. The Presidium decided today that all the problems faced by fuel and power industry will have to be examined by the Federation Council, Kiosa adds, concluding her report.

Union, Republic Consular Working Group Convened

PM1607123791 Moscow IZVESTIYA in Russian 16 Jul 91 Union Edition p 4

[Unattributed report: "Conference of Experts"]

[Text] In accordance with a decision adopted by the Council of USSR and Union Republic Ministers of Foreign Affairs, a working group of experts on consular questions at the level of chiefs and senior employees of Union and republic consular services, held a meeting 12 July in Moscow, which was attended by representatives of all republic ministries of foreign affairs, with the exception of Lithuania, and also the USSR MVD [Ministry of Internal Affairs], the USSR KGB, the USSR Customs Committee, and scientific institutions.

The participants in the meeting focused their attention on questions of demarcating Union and republic consular functions. There was also an in-depth discussion on ways to strengthen cooperation between the USSR Ministry of Foreign Affairs Consular Administration and the relevant republic services as regards consular backup for Union and republic foreign ties.

Union, Republics Sign Social Protection Accord

LD1607222991 Moscow Central Television First Program Network in Russian 1800 GMT 16 Jul 91

[From the "Vremya" newscast]

[Text] A joint action program has been drawn up by the USSR Cabinet of Ministers and the governments of the republics on extricating the country's economy from crisis in the conditions of the transition to the market. Well, needless to say, the main feature of the program is the social protection of citizens. The USSR Ministry of Labor and Social Problems considers that the minimum consumption budget—I stress, the minimum—is reckoned to be 227 rubles [R], but actually amounts to just R140. That is the gap between the reality and what should be according to the most modest estimates. The preliminary signing of an agreement between the Union and the sovereign republics on mutual obligations as regards implementing the 1991 and 1992 programs for protecting the population took place today at the Ministry of Labor and Social Problems. The General Confederation of Trade Unions helped to draw them up. [video shows meeting: USSR Labor and Social Problems Minister Paulman sits at the head of the table]

[Correspondent O. Bobin] The document affects all the inabitants of our country. At the final stage, it was discussed by the republican ministers. It was for them to sign the agreement spelling out the list of social measures to protect the population during the transition to the market. [video cuts to show correspondent interviewing Kazakh Labor Minister S.D. Beysenov]

[Begin recording] [Beysenov] Today we accept the general principles of the treaty, since we acknowledge a single Union and economic entity, and it is perfectly natural that we must talk about such things as the minimum wage, the minimum, as it were, principles for the payment of unemployment benefit, the payment of pensions and so on. [end recording]

[Bobin] And tens more of the most varied items that are summed up by the formulation: The level of state minimum social guarantees. [video cuts to show correspondent interviewing USSR Labor Minister Paulman]

[Begin recording] [Bobin] Georgia, Moldova, and the Baltic republics are not here. So how will the social protection of the individual be carried out there?

[Paulman] They took part in preparing the agreement. They share, in principle, the approaches that are contained in this draft agreement. However, they consider today that such an agreement must be signed on a bilateral basis. Here, clearly, it is necessary to continue the discussion, the dialogue, with these republics. But we consider that the provisions and principles of the Constitution are valid on the territory of the whole state, within the framework of the whole Soviet Union. No one has abolished them. [end recording]

Justice Minister Comments on Draft Union Treaty

LD1607224291 Moscow TASS International Service in Russian 0900 GMT 16 Jul 91

[Text] Moscow, 16 Jul (TASS)—It is clear from the draft Union treaty that the Soviet Union wants to construct a society founded on common human values and the supremacy of the law. This opinion of the document being examined in the republics is expressed by Sergey

Lushchikov, USSR minister of justice, in the latest edition of the weekly 'PRAVITELSTVENNYY VESTNIK'.

According to him, the republics often forget that more rights means more duties and they demand unjustifiably large powers, leaving the responsibility to the Union. Sergey Lushchikov recalls that the draft talks about a federation, and not a confederation, and attempts to split the state up "along national lines" are fraught with the most serious problems to do with the division of property and territories, many of which have conventional boundaries. The minister also stressed that no one of the republics can automatically arrogate to itself the hundreds of political, economic, and other international obligations which the Union has as a member of the international community and UN Security Council.

Commenting on the draft Union treaty, Sergey Lushchikov drew attention to the document's "inadequate" reflection of the problems of federal property. The minister also listed among the shortcomings of the draft the clause saying that in case of differences over the interpretation between republican and Union juridical norms, the republican laws operate. In the opinion of the minister of justice, this goes against international practice.

CPSU Commissions Discuss New Party Program

PM1507130091 Moscow PRAVDA in Russian
15 Jul 91 Second Edition p 2

[N. Mikhaylov, A. Shinkin report on joint session of CPSU Central Committee Ideological Commission and Science, Education, and Culture Commission, under the rubric "On the New CPSU Program"—date of session not stated: "Clarifying the Guidelines"]

[Text] The nearer we come to the date of the CPSU Central Committee plenum which will examine the draft new party Program, the keener the public interest in its content, as the editorial mail shows. This was also reflected in the discussion of the document in preparation that took place the other day at a joint session of the CPSU Central Committee Ideological Commission and Science, Education, and Culture Commission.

PRAVDA has already reported—in some detail—how the draft was discussed at the latest session of the CPSU Program Commission. The debate in the Central Committee commissions continued the discussion, so to speak, adding new colors and supplying local impressions.

The present program is being drawn up in the context of profound changes in Soviet society and in the international arena and of the party's defining its role in the processes of social transformations. All this must be taken into account in order to consolidate the party and gather together and unite its main forces on the basis of the new program, A.S. Dzasokhov, member of the Politburo and secretary of the CPSU Central Committee, said, opening the joint session. The program must become a reliable platform not only for preserving unity, but also for the CPSU to take the initiative in the implementation of democratic reforms.

At times the opinions of the Central Committee members who spoke at the session differed very substantially. On both the content and the form of the document. Whereas, say, N.S. Skripnikov, rector of the Poltava Medical Institute, called for the draft to be strictly scientific in nature, ruling out all publicistic elements, R.A. Medvedev, on the contrary, put the emphasis on the publicistic approach. Science is all very well, but the program should influence people's souls too. Only then will people follow it, young people, he noted. We are separated by 150 years from the time when the famous "Communist Manifesto" was written, and many of its propositions now appear obsolete and erroneous, but it still lives on and moves people as a document of its time.

Academician V.A. Koptyug noted that it is no use painting a rosy picture of the situation in the developed capitalist countries, as is often done today. There are also substantial conflicts in their development, in relation to the problems of resources, ecology, social relations, and so forth.

A.A. Pomorov, first secretary of Tomsk party obkom [oblast committee], spoke about the oilmen's reactions to one of the first versions of the draft, noting the need for a special section of the program dealing with concrete tasks for the immediate future. Communists expect an action program reflecting both the party's tasks in the implementation of anticrisis measures, and its line in defense of working people's interests at the difficult stage of transition to the market, and a characterization of the destructive forces whose position represents a danger to the country's future.

Thoughts on what the program should be like were shared by V.V. Davydov, vice president of the Academy of Pedagogical Sciences; A.I. Onishchenko, first secretary of Lugansk Ukrainian Communist Party Obkom; V.F. Khalipov, professor at the CPSU Central Committee Social Sciences Academy; and A.K. Kadyrbekova, first secretary of Sovetskiy party raykom [rayon committee] in Alma-Ata.

The problem of the CPSU's social base provoked heated debates. A.I. Tatarkin, director of the Economics Institute of the USSR Academy of Sciences Urals Department, believes that the Communist Party cannot reflect the interests of all social groups without exception. He also argued that the Program, while confirming the line of economic reforms, should specify the optimum combination of the plan and market principles in economic development and clarify the goal of the market not as an end in itself, but for the sake of society's progress. Here reference was made to the experience of a number of highly developed states which have incorporated centralized management into a market economy.

Opinions also differed in the debate on the historical section of the draft. L.N. Mkrtchyan, a doctor from Armenia, and G.A. Artamonov, member of the council of student Communists under the CPSU Central Committee Humanitarian Department, noted that the Program should not pay much attention to history—it should be looking to the future. The lessons of history, it was noted in the speeches of S.A. Medvedev, first secretary of East Kazakhstan Kazakh Communist Party Obkom, V.V. Sekretaryuk, first secretary of Lvov Ukrainian Communist Party Obkom, and others, should be reflected in the Program with the utmost truthfulness and depth. While honestly admitting the disasters of the days of Stalinism and stagnation, it is necessary also to show the Communist Party's role in the years of the Great Patriotic War and the restoration of the national economy after it was ravaged by the Hitlerites, as well as its efforts today to preserve the integrity of the renewed USSR.

People will unite around the Program, A.N. Maltsev, first secretary of Nizhniy Novgorod CPSU Gorkom [city committee], and B.G. Kibirev, secretary of Krasnodar Kraykom [kray committee], said, when it states clearly not only what the party is fighting against, but also what it is fighting for, that is to say, when it gives concrete guidelines that are attractive to the people. In this context it is necessary to make clear what we mean by the terms "socialist choice" and "communist perspective." It was also stressed that the Program should provide a basis for bringing together different CPSU platforms and promulgate the idea of continuity in order to recruit young Communists to the party.

Newspapers' Subscription Data Published

PM1607155391 Moscow SELSKAYA ZHIZN in Russian 16 Jul 91 p 3

[Unattributed report in response to reader's letter; first paragraph is reader's letter: "We Wanted To Find Out. Circulations and Circumventions"]

[Text] Dear comrades from SELSKAYA ZHIZN! I was sincerely delighted for your newspaper—I am referring to the six-month subscription figures. An increase of almost 160,000—that's considerable. But how have subscription circulation figures developed for the second half-year for other publications? For IZVESTIYA, TRUD, and LITERATURNAYA GAZETA, for instance? Some talk glibly and cheerfully, but don't provide figures for some reason. Dubious...

[Signed] I. Katasonov, Leningrad Oblast.

We also noted that. Although we don't sound off about this, we are not devious about circulation figures. You cannot deceive a reader, you cannot fool him. If you do deceive him, you will only do it once. It is obvious from the table below who the subscriber is choosing today and who he refuses to trust.

Let us take this opportunity to once again thank our readers for their support. This is all the more important ahead of our very difficult new year's subscription. We hope that our readers will stay with us.

Central Publications' Subscription Circulations as of 1 July 1991 (Thousands of Copies)

	Subscription As of 1 July 1991 (In Thousands)	July Subscription	Compared With January
PRAVDA SOVETSKAYA	2202	2073	-129
ROSSIYA SELSKAYA	1317	1325	+8
ZHIZN RABOCHAYA	3400	3558	+158
TRIBUNA	636	639	+3
KOMSOMOLSKAYA PRAVDA	17215	17167	-48
GLASNOST	237	243	+6
SOVETSKAYA KULTURA	236	217	-19
UCHITELSKAYA GAZETA	475	430	-45
EKONOMIKA I ZHIZN	506	588	+82
ZA RUBEZHOM	220	207	-13
SOBESEDNIK	96	95	-1
LITERATURNAYA GAZETA	1085	974	-111
MOSKOVSKIYE NOVOSTI	1297	1107	-190
TRUD	18292	18077	-215
IZVESTIYA	3882	3631	-251
KRASNAYA ZVEZDA	646	617	-29
OGONEK	1697	1474	-223

DATA Reports Public Poll on Media Information

OW1607054691 Moscow INTERFAX in English 1200 GMT 15 Jul 91

[From "Viewpoint"; transmitted via KYODO]

[Text] The "DATA" New Agency reports an opinion poll taken by the national Public Opinion Studies Center among 2,665 respondents throughout the country in April-June this year shows that most Soviet learn about the latest news from TV and radio programs and newspapers.

82% indicated TV as the main source of information. 57% pointed to newspapers and 42% to radio.

29% said they usually learn news in conversations with friends and acquaintances. 19%—in conversations with colleagues at work.

7% get information mainly in transport, on streets and while standing in lines. 1 out of 100 prefers to attend rallies and public organizations' gatherings for learning the latest events.

Participants in the poll were allowed to give several answers. That is why the total figure exceeds 100%. Margin of error—3%.

Pugo at MVD Public Relations Center Opening

PM1707083191

[Editorial Report] Moscow KRASNAYA ZVEZDA in Russian 13 Jul 1991 Second Edition carries on page 1 under the headline "MVD Embarks on Communication" a 300-word report by its correspondent Captain V. Soldatenko in Moscow, which is essentially covered by referent item. Soldatenko's report adds that "B. Pugo, USSR minister of internal affairs, delivered a brief report to the gathering."

Marshal Akhromeyev Profiled on 'Author's TV'

LD1607132391

[Editorial Report] Moscow Central Television Second Program Network in Russian at 1545 GMT on 14 July carries the "Author's TV" program, which in this edition contains a 50-minute recorded profile of Marshal of the Soviet Union Sergey Fedorovich Akhromeyev.

Unidentified interviewers question Akhromeyev on his life, his work, and his views on various topical issues, while he is shown in his office, at home, at his dacha, and in Moldova where he represents a USSR Supreme Soviet constituency.

The program opens with biographical information taken from the Soviet Encyclopedic Dictionary over footage from Akhromeyev's career, followed by a video clip of him exercising in a track suit. His history teacher recalls his interest in the subject. Further details of his childhood follow, and in a brief interview on his childhood Akhromeyev recalls that the whole of his family disappeared during the repressions. Asked whether these events alienated him from the Soviet system, he says: "When I grew up I considered collectivization and the suppression of the kulaks an objectively necessary process for the country's development along the socialist path. Historically, I thought it just, and I never felt any grievance for this, either against Soviet power or against the system."

The film moves to his office in the Kremlin which, we are told, is next to the President's office. He is shown speaking on the telephone on the subject of the Democratic Reform Movement, after which he greets the film crew and is asked his views on the new movement. He says: "This group is trying to set up a party which will be an alternative to the CPSU. I am a communist, and moreover, the kind of communist that will never leave the CPSU. I consider our party, my party, as a party which serves the people and which makes mistakes. Today in particular it is making many mistakes because of the situation that has emerged, but it is trying to serve the people honestly, while I consider any alternative to the Communist Party, in any case, the kind of party with which we'll have to argue—but God grant that we won't fight."

Asked how it would be if they were not his friends, he says: "Well, in the first place I wouldn't call either Yakovlev or Shevardnadze my friends. They are my working colleagues, and that's all. I repeat that I can't call them my friends. I am just surprised by one thing—how easily people sometimes change their beliefs, and how easily they change their party. For example, I was never a supporter of Andrey Dmitriyevich Sakharov, but I always respected him for his beliefs, and I have respect for such opponents, or political adversaries of mine. There are many such people, in the Supreme Soviet, with whom I work and cooperate."

An interview follows with Yegor Ligachev, who says: "Akhromeyev? Oh, a most respected man. An extremely respected man. I have always seen him as sharing my views on the fundamental issues of principle. And even now we sometimes meet. I feel that he adheres to the same point of view." Asked whether Akhromeyev was correct to leave his previous military posts and become presidential adviser, Ligachev says: "I would say he's a highly qualified adviser, unlike many of the other advisers. The main thing is that he's an adviser who doesn't change his political views like gloves. From this point of view he's a valuable adviser. I don't know whether the president values this or not, that's a question for Gorbachev. Probably he doesn't value him very highly because he keeps the sort of advisers who are neither one thing nor the other, neither fish nor fowl as they say; they say one thing today and another thing tomorrow. In this sense I like Comrade Akhromeyev, irrespective of the fact that he works for the president. He doesn't intrigue, he speaks his mind, and I think that this man merits every respect."

Returning to the interview in Akhromeyev's Kremlin office, the interviewer notes that the president's office is only a few meters away and asks whether they have drawn close in human terms. He says: "For the whole of my life, I have been linked to all people senior to me only through work, only officially, and I consider this the most correct method of both working and living. I address the president only on official matters, and he addresses me in exactly the same way."

Asked whether they have conflicts, he says: "What do you mean conflicts? I don't understand at all the possibility of a conflict between the president and his adviser, but as regards differing views and arguments, of course they occur, the more so as I am dealing with people who voice their views directly." Asked about the time when he was asked to become presidential adviser, he says: "In

the first place, I am convinced—this is my personal belief, I'm not forcing it on anyone—that a military man who works in very senior positions should work up to the age of 65. In this case I exclude the USSR defense minister, that's a special case. And I was convinced, and I requested this myself, that the time had come when I had to be released from this post, and I made this request, at that time, to the general secretary of the CPSU Central Committee, as head of state and as supreme commander-in-chief. Agreeing with me, he immediately offered me the post of adviser, and I simply had no time to think about what to decide, but simply by force of habit, by force of tradition, by force of my beliefs, I had never in my life refused anything offered to me—I accepted this proposal without hesitation." As to whether he had any regrets, he says: "If we are to talk purely about my obligations, and about the fact that I have worked here for nearly three years with the president, I don't regret that, I have been of some use."

On his income he says: "The post of presidential adviser carries a salary of 1,500 rubles [R]. I receive a supplement of R300 on top of R1,200. I am not working here for the money at all, but because I think that I can still be of use to the state in this position."

An interview follows with A.G. Chekhoyev, co-chairman of the "Soyuz" faction, who says: "He said: I'm a presidential adviser and notwithstanding all my sympathy for the 'Soyuz' group, I would not like to be a representative of any faction at present. He told us: as soon I cease to be presidential adviser, you can take it from me that the next day I'll bring a statement on joining your faction."

The interview in the Kremlin office resumes on the subject of Akhromeyev's military honors. Noting that he became Hero of the Soviet Union for the USSR's military action in Afghanistan, the interviewer asks him about his attitude to that action. He says: "In the first place, the Defense Ministry was against putting Soviet troops into Afghanistan, and in particular the General Staff was against it. At that time three people opposed it—Comrade Ogarkov, Chief of the General Staff, I, as first deputy, and Comrade Varennikov, who was at that time Chief of the Main Operations Directorate. This was not any kind of political protest against going into Afghanistan, we opposed it on purely military grounds. But it was one thing to oppose it until the decision was taken. And I carried out my duty honorably, although from the summer of 1980 we again repeated to the leadership that nothing could be resolved in Afghanistan by military means." Asked whether he had altered his views on the war, he says: "Just as I took a negative view of it from the point of view that it had brought nothing but damage to our country, I take the same view now of that war."

A brief interview follows with USSR People's Deputy and army officer V.A. Martirosyan, who expresses the view that the marshals and generals had only looked after their own interests and not those of the rank and file. Back in the Kremlin office, Akhromeyev is asked his view of perestroyka. He says: "I belong to the generation which took part in the Great Patriotic War, and I considered the victory and its consequences for us the main thing in my life. That means the creation of the Warsaw Pact and the creation of the military Organization of that pact, and the location of our armed forces on the territory of the countries of Central Europe, on the territory of the countries that were our allies, and ensuring our country's security actually under conditions of the existence of the Warsaw Pact and under conditions of our state being protected by our armed forces. All of this I considered, if you like, even a personal achievement, in all of which I myself had taken part. And then I grew to such great positions when in recent years I had to form all those security forces. And when I become convinced in 1985 that this policy couldn't go on any longer, because in simple economic terms we couldn't sustain the arms race any longer, the contest that we were engaged in, and that this policy had to be changed, then I agreed with this, I understood that it was essential, but I also understood what lay behind it, that sooner or later the Warsaw Pact would cease to exist, sooner or later we would have to bring these troops home. So everything we had been doing for half a century had to be changed. It wasn't just a matter of adopting some theoretical tenets, but of breaking what you had been building for the whole of your life, and of starting to build afresh when it's already too late for you to build. You had broken it all right, but it would be for others who would replace you to do the building. That was very hard."

Asked whether he sees perestroyka as an individual or as a military man, he says: "I have told you—what does 'individual' mean? Do you think there's no such thing as Sergey Fedorovich Akhromeyev, and that there's just a military man who was invested with certain obligations, and who is of interest to people by virtue of that and not by virtue of anything else? And that I, in my life, never knew anything and do not know anything apart from this work, apart from this responsibility?"

In a brief interview, "Soyuz" co-chairman Viktor Alksnis gives his views on Akhromeyev, accusing him of being party to the withdrawal of Soviet troops from Eastern Europe. Back in the Kremlin office, Akhromeyev talks about the lack of portraits in his office and his attitude to those whose portraits usually hang in offices. He says: "Lenin is Lenin, for me he's a great man whom I revere and deeply respect. Gorbachev is the president and leader of our party, and I have a corresponding attitude toward him, I work together with him." he goes on to contrast his work as Chief of General Staff, when he worked 15 or 16 hours a day, with his present post when he works 12 hours a day.

The film switches to Moldova where Akhromeyev represents a constituency in the USSR Supreme Soviet. He is shown arriving at Kishinev airport, and talking with officials at the republican Communist Party Central Committee. The presenter notes his strained relations

with the Moldovan People's Front, and interviews follow with people in the streets of his constituency criticising his performance as a people's deputy.

Akhromeyev is then shown addressing a Victory Day meeting at the Lenin production association in the town of Beltsy, Moldova, following his election as people's deputy for the second time. He says: "The work of a deputy of the last convocation was formal work. But now the question has arisen as to whether the Soviet Union is to exist or not. How can I take an indifferent attitude toward this, when in 1940 I swore to the USSR, and when I have served it for the whole of my life? What am I supposed to do now? Whom am I supposed to serve? While I live and breathe I shall fight for the Soviet Union, and as a deputy I am now doing everything I can for this. So I think that, of course, I am now of some use to the homeland, and to the republic, and to my voters, to those who share my position."

Following brief street interviews with local voters, the film returns to the same meeting where Akhromeyev is expressing his negative attitude toward separatist tendencies in the republic as manifested in the Dnestr and Gagauz republics. In reply to criticism of the president for inaction, he says: "If force were really to be used, then order could be established. Personally I believe it could be, but where would it lead? I think that for us things would, perhaps, be better in the short term, but in the long term things would be worse. Thousands, or maybe tens of thousands would die. And he is faced with a dilemma—I don't answer for him, for the president, I am just trying to explain as you have asked the question. He wants to use peaceful methods to the maximum extent when this is possible. When this proves impossible, force is used."

Following more street interviews with voters, we again return to the meeting where Akhromeyev is speaking about the armed forces: "The armed forces today are weaker than they were five or six years ago, weaker. Where does this weakness come from? From society's attitude to the armed forces. If society—well, not the whole of society, but certain forces in society—abuses the armed forces, insults them with impunity, calls them occupiers, and refuses to let the army recruit, will the armed forces gain in strength? But where did all this come from? It's a manifestation of political struggle between different forces. The army can't get away from society."

Following a brief clip of Akhromeyev attending the Victory Day parade in Beltsy, the film goes on to show him in his deputy's office, holding consultations with his constituents, and the Moldovan section of the film ends with clips of him shopping at the market in his track suit.

The film then switches to his four-room apartment in Moscow which Akhromeyev's family received 17 years ago, although we are told that they live most of the time at their dacha. Akhromeyev is shown in the apartment, in carpet slippers, with his wife and, presumably, his two daughters. The film focuses on various ornaments, a jar of Cafe-Hag, and epaulettes. His wife, Tamara Vasilyevna, speaks about her everyday life and how she met her husband. He gives his views on marriage, and the two young women, Tatyana and Natalya, talk about their family life. Akhromeyev goes on to recall times past, his previous belief in Stalin and his subsequent disillusionment. His family express their anger at the lies currently being printed in the press about Akhromeyev, who offers to take the film crew to the dacha which is at the center of the press speculation. The film crew accompanies the Akhromeyevs to the dacha, for which, we are told, they pay R150 per month. They are then shown around the various rooms, pointing out the furniture and the two fridges which have figured in the press reports.

Back at the Kremlin, Akhromeyev is shown arriving at the USSR Supreme Soviet where he meets with Laptev and Nishanov, chairmen of the two chambers, waiting for the elevator. In a voice-over we hear of his total ignorance of whisky, his previous predilection for vodka, and his views on sport. As he enters the chamber he takes his leave of the film crew, and the film ends.

The presenter of the "Author's TV" program then tells us that Akhromeyev has seen the film, and that he did not like much of it. He did not, however, demand that the film be cut or re-edited. The presenter goes on: "The last question which we asked him was, will there be a civil war—a question that currently worries everyone? Marshal Akhromeyev is sure that there will be no civil war. But to the question as to what there will be, he gave no reply—he doesn't know."

TASS Reviews Soviet Central Press for 17 Jul

LD1707065891 Moscow TASS in English 0628 GMT 17 Jul 91

["Soviet Press Review"—TASS headline]

[Text] Moscow July 17 TASS—Today's newspapers focus on President Mikhail Gorbachev's meeting with leaders of the Group of Seven industrialized nations in London today.

"History is being made in London at the moment. Confrontation and ideological and military rivalry in the international arena are being replaced with a new situation, an unprecedented structure of interaction between the Soviet Union and the West and syncronisation of our reforms with the help of leading industrialized nations is being born," PRAVDA writes.

Gorbachev arrives in London with a solid mandate and support from leaders of nine Soviet republics and brings with him a concrete plan of action, newspapers write.

The Soviet issue dominates the "Big Seven" summit, TRUD writes.

"Everybody expects a sensation tonight," KOMSOMOLSKAYA PRAVDA writes. Gorbachev's speech in

London could cause a furor. Gorbachev's meeting with the "Seven" in London is "not a finale, but the beginning of the journey," RABOCHAYA TRIBUNA says.

Russia's Congress of People's Deputies remains deadlocked over the election of a parliament speaker, newspapers report. "The struggle is not between the two candidates—but between two political courses," KRASNAYA ZVEZDA writes.

One of the candidates is a famous supporter of Boris Yeltsin's reforms, the other opposes them, TRUD says.

Communists and democrats are fighting for dominance in the parliament, PRAVDA comments. SOVETSKAYA ROSSIYA accuses democratic candidates in using undemocratic methods by issuing ultimatums to the other side.

SOVETSKAYA ROSSIYA publishes a bill on privatisation in the Russian Federation.

PRAVDA carries an article by Soviet Communist Party Politburo member Yevgeniy [name as received] Stroyev about the need for market reforms in the agrarian sector.

The newspaper publishes an article about economic relations between republics and federal reforms in the Soviet Union. It warns against attempts to turn economic ties within the Soviet Union into a replica of relations between former socialist East European states.

"The version of West European evolution is not only expensive and irrational for us, it is unrealistic. It is impossible to create the Union anew, as if there was no such state before," it says.

In an interview with RABOCHAYA TRIBUNA, maverick economist Tatyana Koryagina said in addition to the economic crisis and a political vacuum, Soviet state and reforms are threatened by official and business corruption.

RABOCHAYA TRIBUNA covers a conference of the "Unity for Leninism and Communist Ideals" movement led by Nina Andreyeva. The conference announced the creation of a "Bolshevik Platform in the Soviet Communist Party" and called for an emergency party congress and a change in leadership.

SELSKAYA ZHIZN writes about the rising popularity of the Azerbaijani Communist Party and disillusion with the Popular Front in the southern Soviet republic.

KRASNAYA ZVEZDA writes about the downing of the Boeing-707 South Korean airliner over Sakhalin in 1983. The plane's pilots were unprofessional and lost control over its course, it writes.

PRAVDA analyses developments in East European countries. "The so-called popular revolutions in many cases lead to a suppression of democracy rather than its revival. The only difference is (?in) change of subjects and objects of oppression. Totalitarian methods are becoming tougher and meaner," it writes.

ECONOMIC

Six-Month Economic Performance Data Reviewed

PM1607160391 Moscow IZVESTIYA in Russian 16 Jul 91 Union Edition p 2

[V. Romanyuk report: "Year's Equator Crossed. First Signs of Stabilization"]

[Text] At a recent news conference Premier V. Pavlov compared the state of our economy with someone who, as he falls into a well, suddenly manages to cling to the wall: an unstable situation, but a chance has appeared of finding a point of support and clambering to the surface. What kind of state is this? The start of stabilization?

Statistics are very cautious in their assessments. The drop in production in the first half of 1991 compared with the corresponding period last year was quite significant—6.2 percent. True, this year we had three working days fewer (and each working day is approximately 2.5 percent of the monthly program). Elements of stabilization were detected only in May-June.

V. Tolkushkin, deputy chairman of the USSR State Committee for Statistics, drew my attention to an indicator of business activeness—the average daily production of output. Thus, in April, May, and June the average daily volume of output was maintained at the same level. This is still not stabilization in the true sense of the word, but it is quite weighty grounds for stating the fact that the fall has ended.

So, have we reached the "bottom," and can we now reckon on a gradual ascent? Let us not be in too much of a hurry to draw conclusions, particularly as the situation is not uniform in the various national economic complexes. For example, the average daily production of metal, pipes, metal-cutting machine tools, forging and pressing machines, and a whole group of items of complex domestic equipment was higher in June than in May. Production of chemical fibers and filaments, paper and cardboard, and radio-receiving devices remained at the previous level. But the situation deteriorated in the production of such important resources as oil, gas, coal, and cement, and less sulfuric acid, soda ash, and a whole number of light industrial products was produced.

The general indicators for June are not brilliant: The volume of industrial production fell 9 percent compared with June 1990. The fact that we had one working day less this time is some consolation. Naturally, the first, depressed months of the year affected the half-year results: Of the 156 types of output reflected in the urgent returns of the USSR State Committee for Statistics a fall occurred in 127.

This is what is disconcerting here: The situation has become complicated in the base sectors of industry,

which determine all internal economic ties to a considerable degree. Indicators here for the first half of the year are worse than for industry as a whole—which can have a negative impact on related sectors. For example, 12 percent less coal and 21 percent less coking coal was extracted in the first half of the year than in the first half of 1990, oil extraction fell 10 percent, production of rolled ferrous metals fell 12 percent, that of mineral fertilizers 9 percent, chemical fibers and filaments 16 percent, and lumber 14 percent. Each of these factors affects a chain of interconnected production processes.

For example, consumers did not get 6.5 million tonnes of rolled ferrous metals, and the most metal-intensive sectors of machine building slowed up accordingly. The scarcity of metal was one important reason why 13 percent fewer mainline freightcars, 14 percent fewer trucks, 12 percent fewer tractors, and 10 percent fewer grain-harvesting combines were produced. Production of fabrics fell 10 percent owing to the shortage of chemical fibers and filaments. Thus, we are short of clothes, knitwear, and other things—every customer sees this for himself in our stores. There is insufficient lumber—there is no furniture, summer houses, or many other things.

It is probably only in the defense sectors that the vigorously initiated conversion is continuing to bring about a steady increase in complex domestic equipment. In the first half of the year (compared with the level for January-June 1990) 6 percent more tape recorders, 7 percent more vacuum cleaners, and 2 percent more cameras were produced, more meat grinders, mixers, and knitting machines entered the trade sphere, and last year's level of production of refrigerators and washing machines is being maintained.

But the laggardness in production of goods in daily demand has not yet been overcome, as borne out by the scarcities which constantly arise. At the same time the situation is being exacerbated by the unstable nature of the market and simply by the inefficiency of trade. Electric light bulbs have disappeared from sale, and yet their supply to trade fell only 7 percent. Such a slump has not occurred even in trade in synthetic detergents, although their production fell 17 percent and imported purchases diminished sharply.

The tobacco shortage has been eased somewhat: Compared with the level for the first half of last year, smokers failed to get more than 7 billion cigarettes and traditional Russian cigarettes (4 percent), but on the other hand they are able to buy imported cigarettes. Interruptions are continuing in trade in small batteries, production of which fell 14 percent, and production of school exercise books fell 7 percent, and that of compact cassettes for tape recorders fell 18 percent.

As before, food counters are not inspiring. The good harvest of grain crops resulted in a 6-percent increase in pasta products and a 2-percent increase in flour from state resources. The situation in livestock raising has deteriorated once again: Production of meat and butter fell 13 percent, and that of whole-milk produce 10 percent.

In previous reviews we described the creaking way in which contracts were concluded for food deliveries. However, even those contracts that have been concluded are in many cases not being fulfilled. During June alone consumers did not receive products to the tune of 4.6 billion rubles [R] in accordance with concluded contracts, and from the beginning of the year to the tune of R17.9 billion (these arrears are 70 percent greater than at the same date last year). Again the base sectors lagged behind most of all. Whereas one enterprise in every five in industry as a whole failed to cope with its contract pledges, it was every other one in the metallurgical and the chemical and timber complexes, and approximately one in three in the fuel and energy and the machine-building complexes.

The situation was exacerbated by idle time and even stoppages of enterprises owing to a failure to supply them with material resources. In the first half of the year 1,000-1,200 plants and factories had long stoppages every month, 12 million man-days were lost, and output worth R3 billion was not produced. Information obtained by the USSR State Committee for Statistics from enterprises attests that 10 percent of the idle time resulted from interruptions in the electricity supply to individual regions, a further 10 percent from a refusal to conclude contracts, and 80 percent from failures in deliveries under contracts already concluded.

It remains for us to touch on the dynamics of prices. As is known, new wholesale prices for industrial output were introduced this year. At the same time the level of prices doubled with regard to the first half of 1990; the contract prices of output with a production or technical designation accounting for 40 percent and 60 percent with regard to consumer goods. The reform of wholesale prices did not eliminate the subsidized status of a number of goods. The following point also came to light: Enterprises working with fixed prices ended up in a worse financial state than those that have gone over to contract prices.

Price discrepancies have also arisen even inside certain sectors. Thus, chemical industry workers mainly operate with fixed prices. But within this sector paint and varnish have gone over to contract prices, and they have ended up considerably higher than fixed prices.

The same situation holds in ferrous metallurgy: Fixed prices exceeded last year's level by 90 percent, and contract prices (for refractories, for example) by 140 percent. But, be that as it may, fixed prices remain a deterrent factor against an excessive price splurge and the associated serious exacerbation of inflationary processes.

Without going into detailed forecasts for the second half of the year, let us note one favorable circumstance: This time the worktime available will be exactly the same as

in the second half of 1990. It remains to consolidate the stabilization trends, and maybe, also start climbing out of the depression in which our economy has found itself.

Soviet State Bank Publishes Balance Report

LD1607191291 Moscow TASS in English 1841 GMT 16 Jul 91

[Text] Moscow July 16 TASS—The Soviet State Bank today published its balance, for the first time since 1936.

The fact that the document is published on the eve of the Soviet president's meeting with the G-7 leaders proves that the Soviet Union seriously wishes to move towards a market, civilised commodity and monetary relations and convertibility of the ruble, the IZVESTIYA newspaper notes, publishing the document.

Openness in this sphere is an important condition for the Soviet Union's participation in the International Monetary Fund, the World Bank and other international financial organisations, the newspaper notes.

The State Bank's favourable balance amounts to over 638 billion rubles. According to the document, first steps have been made towards developing the securities market. Their cost is determined at 49.1 billion rubles.

IZVESTIYA hopes that the document will stop speculations about real gold guarantee for the Soviet currency. Soviet banknotes and coins are guaranteed with precious metals and foreign currency, including over 374 tonnes of gold.

According to State Bank Deputy Chairman Arnold Voilukov, the bank is planning to publish its balance quarterly.

Foreign Economic Bank Explains Higher Charges

LD1607221491 Moscow TASS International Service in Russian 1530 GMT 15 Jul 91

[Excerpts] Moscow, 15 Jul (TASS)—The USSR Foreign Economic Bank circulated the following information today:

In connection with the circulation among clients of the USSR Foreign Economic Bank and in certain mass news media of various interpretations of the reasons for introduction and nature of the increased rate, set by the bank, of commission for issuing and selling available foreign currency, the USSR Foreign Economic Bank deems it essential to give the following explanation:

The aforementioned rate is only the commission of the USSR Foreign Economic Bank and has nothing at all to do with taxation. The aim of the commission is to cover, on a commercial basis, expenditure of the USSR Foreign Economic Bank connected with ensuring sales of available currency and other additional expenditure, and also to obtain normal profit. As is known, this additional expenditure has recently increased significantly. [passage omitted]

The USSR Foreign Economic Bank also announces the cessation, as of 15 July 1991, of all types of internal union operations using currency fund resources of enterprises, associations and organizations in convertible rubles, in U.S. dollars through clearing accounts with the SFRY, and in rubles through clearing accounts with the state of Cambodia, the Lao People's Democratic Republic, and the DPRK.

In individual cases completion of internal union operations through hard currency accounts in convertible rubles through accounts with Romania is being permitted.

At the same time, the bank is permitting the transfer of resources in Soviet rubles from own-resource hard currency accounts in convertible rubles and clearing currencies through accounts with the aforementioned countries without restoring the right to acquire hard currency through non-own-resource accounts.

PRAVDA on Market and Economic Crime

PM1607125791 Moscow PRAVDA in Russian 12 Jul 91 Second Edition p 1

[By Ye. Grigoryev and V. Konstantinov under the "Topical Issue" rubric: "Beware, Shady Operator!"]

[Text] Exchanges, fairs, "rummage sales," and second-hand markets outside stores and in marketplaces, stations, and public gardens have already become a common phenomenon. People buy, sell, exchange, deceive. In many ways the market dictates prices and determines supply and demand. Thousands of cooperatives, concerns, joint ventures, small businesses, and other ventures are already operating in the country. Their presence is felt in all sectors of the national economy and in the financial sphere.

The "child" of free enterprise is growing and strengthening. But, as happens in childhood, it is frequently ill and shows various deviations in its development. Moreover, it has been left unsupervised, and the "street," as is well known, leads to no good. Statistics maintain that 265,000 economic crimes were exposed last year. This was considerably more than the previous year. Embezzlement on a large scale and a particularly large scale increased 20 percent, speculation increased 14.6 percent, and bribe-taking increased 9 percent. And the agro-industrial complex was the national economic sector most conducive to crime. Some 40 percent of all embezzlement brought to light was in this sphere.

The "street" is increasingly making itself felt. Goods are being bought up from state resources on a huge scale and resold at prices that have been inflated many times over. Underground workshops are being set up, also working with state raw materials acquired via bribes. Nonstock [vnefondovyy] distribution of tractors, timber, and agricultural produce is also secured via bribes.

The fall in production discipline is fertile soil for theft of scarce goods. The ordinary consumer does not see them—they come from under the counter and go to "operators in the shadow economy." Last year approximately 12,000 violations connected with the concealment of goods alone were revealed.

Shadow business attacks the banks and obtains million-ruble credits in exchange for bribes—credits which frequently are not repaid to their owners. Pseudo-cooperatives and false bankruptcies are organized for this. In just 50 criminal cases of this kind investigated recently the damage totaled approximately 1 billion rubles. Forged securities and exchange and auction machinations are spreading. A system of concealing income from taxes has been set up in a number of economic structures.

Why is illegality rife in a country where there are the legal services of the Prosecutor's Office, the Ministry of Internal Affairs, and the KGB? What we used to see in foreign thrillers has become a sad reality for us. The shadow economy is actively merging with bank, state, cooperative, and even law-enforcement structures. And these are not just words: A criminal group consisting of the leaders of Moscow Oblast's State Farm named for Thaelmann and of the "Atlantiks" and "Yuzhnyy Dar" cooperatives, which had been producing adulterated juices, was exposed recently. Similar groups were brought to light in the Moscow Oblast Union of Consumer Trade Cooperatives, the Bank for Foreign Economic Activity, the Ministry of Consumer Services, the Ministry of Land Reclamation and Water Resources of the Russian Soviet Federated Socialist Republic, and a number of other departments. Of the recent crimes connected with the economy, four-fifths were committed with the participation of employees of state services.

The influence of shadow business is varied and multifaceted. All the attributes of the criminal world are adopted—deception, bribery, and illegal incomes from the resale of vehicles, gasoline, and other goods. Moonshining, prostitution, and the drug business come within the sphere of activity of the "black market." During the year tens and hundreds of billions of rubles end up in the pockets of "operators in the shadow economy."

Having such funds, the big shots of criminal business are starting to control the state economy, penetrate the power structures, and extend their lobbying influence over them, evading responsibility for their own machinations. For it is no secret that very few of the many thousands of criminals in trade and exposed speculators lose their liberty.

Of course, it is not only a matter of the unscrupulousness of certain guardians of the law. There is frequently no firm legal basis for the struggle against this sort of evil. The USSR State Bank, for example, was practically unable to control the activity of commercial and cooperative banks because of the lack of financial and currency legislation. Meanwhile, considerable sums of dishonestly made money are "laundered" through such banks.

There are no documents to regulate foreign economic activity or foreign investments. On the other hand, the hasty adoption by Supreme Soviets of market laws which are not coordinated with each other and have not undergone criminological expert analysis promotes the creation of conditions for economic crime and sometimes even the legal disarmament of law-enforcement organs. Their work is also complicated by the fact that the service of both state and departmental control has been eliminated in the country, and worker control was abortive.

What is the way out? To arm the judicial service more quickly with norms of criminal, administrative, and economic law with regard to the conditions of market relations, to step up control, and to implement more quickly the all-union program for combating crime. We believe that those party organizations which have stopped tackling questions of the economy and its stabilization should also be rebuked. And it is well known that mismanagement, extravagance, and lack of control lead to a growth in crime. If we straighten out the state economy and organize control in this sphere, we will also undermine the "material" basis of shadow business.

Railway Minister's Views on Transportation Tasks

LD1607202191

[Editorial Report] Moscow Central Television First Program Network in Russian at 2028 GMT on 15 July broadcasts an interview with L.I. Matyukhin, USSR minister of railways' by V. Beketov entitled "Introducing a New Minister."

The interview is inside what appears to be a central control room, with various display panels around the walls and people sitting at computer terminals in the background.

Beketov begins by noting that it is the busy season for railwaymen, with people going on vacation. He asks Matyukhin: "What state was your very complicated business, the railways department, in when you took over and how have the problems of our economy affected it?"

Matyukhin responds: "Railway transport, like the whole country, is experiencing difficult times. A decrease in the volume of both goods and passenger transportation, a sharp increase in the cost of the equipment we acquire—rolling stock and materials—and increased capital construction have placed the railways in a difficult financial position. The financial deficit, the gap that exists today in transport amounts to a vast sum, 10.5 billion rubles [R]. And in connection with this, of course, the resolution of a whole number of programs, a whole number of

tasks connected with ensuring, first and foremost, the transportation of passengers and goods has been made difficult."

Matyukhin notes that these difficulties mean people have justifiable complaints about the obsolete rolling stock which is still in use.

Beketov says: "Several republics have proclaimed sovereignty. That is good, and naturally deserves every support, but at the same time sovereignty is viewed as a break up of economic ties, as well, to a large extent. What I am thinking about in this case is that certain republics want to have their own railways."

Matyukhin answers: "If a break up of all the mainlines is permitted, then both our country as a whole and those regions as a whole which try to do this will suffer. I ask to be understood correctly, and the absolute majority of republic leaders, at least those I have had occasion to meet, namely the absolute majority, they share this point of view. As for the dual administration which is part of the draft union treaty, this imposes additional responsibilities both on the central Ministry of Railways and on the leaders of the regions, that is, the republics."

Beketov notes that people are objecting to increased fares for suburban railway trips at a time when they are being encouraged to take up smallholdings out of town.

Matyukhin replies: "Of course, these higher prices, wholesale and retail prices, have led to the fact that whereas a rail car previously cost 100,000 rubles now it already costs five times as much. Wages have risen. Therefore, tariffs have to rise in connection with the events taking place as we move toward a market."

Suburban transport can and does have favorable rates, but these have to be compensated for by enterprises or by local authorities. The railways cannot exist in the market as a loss-incurring enterprise.

Beketov inquires about use of land owned by the railways for farms of its own. Matyukhin gives an example of where this is being practiced, noting that the railways can also offer unspecified consumer goods and services such as communications.

Beketov says: "Now, in addition to all the economic and political problems, in recent years there has been a sort of squall of all kinds of accidents. What is being done in order to return the organization, discipline, and order that has always been characteristic of railway transport?"

Matyukhin replies: "I am profoundly convinced that in order to resolve these problems in transport—reinforcing order, ensuring safety, and avoiding the creation of all these phenomena in which people die and goods are lost—I also believe that there are three necessary conditions: discipline, discipline and, once again, discipline. Without this it is impossible to resolve the issues of ensuring transport safety and creating a normal working schedule, or even a service. Today, I have to admit, it has been somewhat undermined under the flag of democratization—perfectly justified democratization—and it is our task to preserve all these old and good traditions."

Beketov interrupts: "...to restore them, they have not been preserved."

Matyukhin continues: "To restore them, to revive them, if you like, yes, so that transport is set apart by high standards, and so that discipline is not just based on force. Of course, there was conscious discipline. Today you cannot, as you know, maintain discipline by the rod alone, but it is our task that it should exist, nonetheless. Every passenger should be confident when he boards a train that his life will be guaranteed, that he will arrive on time, and that the money he is spending on these trips is completely justified."

Beketov describes the scene at railway stations lately, with all sorts of cooperative kiosks selling dubious wares such as pornographic literature, and homeless people and protitutes hanging about. He asks if the railways can do anything about it.

Matyukhin agrees that crime at stations and on trains is a cause for concern. He is categorically against letting dubious enterprises use railway premises. "Yes, we will lease them out, but we will be thinking primarily not about the cooperatives, but about the passenger. I have already issued an instruction, and I think we will be striving for the institution of order at railway stations".

Finally, Beketov asks about uniforms for railmen, as a means to revive pride in the job. Matyukhin says that wearing a uniform is not obligatory at present, as staff have to buy their own. He would like to make the uniform simpler, and issue it for free. Steps are being taken in this direction, in the first instance to put the staff who deal directly with the public into uniform. This should help raise discipline and pride.

Cabinet Allocates Resources for Food Enterprises

PM1607103391 Moscow PRAVDA in Russian 13 Jul 91 First Edition p 2

[Unattributed report under the general heading "At USSR Cabinet of Ministers"]

[Excerpt] The USSR Cabinet of Ministers has allocated the Ministry of Agriculture extra material and technical resources from the government's reserves for the purpose of ensuring the prompt and high-quality preparation of enterprises in the sugar, oil and fat, and fruit and vegetable industries for the reception, storage, and processing of 1991 harvest raw materials.

The Ministry of Material Resources, together with the republic governments, has been instructed to ensure the preferential supply of resources from the third quarter's funds before 1 August and from the fourth quarter's funds before 1 November.

The Ministry of Economics and Forecasting, the Ministry of Foreign Economic Relations, and the Ministry of Agriculture must resolve the question of buying abroad 100,000 square meters of production flow line for the food industry, 5,000 tonnes of activated carbon, and 30,000 tires for imported loading machines.

The Ministry of Material Resources must additionally supply 100,000 bearings. The Ministry of Metallurgy must ensure the delivery of an additional 325,000 tonnes of coke. [passage omitted]

Approves Oil, Gas Financing Measures

OW1707044991 Moscow INTERFAX in English 1230 GMT 16 Jul 91

[Transmitted via KYODO]

[Text] The USSR Cabinet of Ministers met on Tuesday to approve a set of measures for additional financing of the oil and gas industry. The incentives totalling 15 billion rubles include a reduction of the export tax to 3 percent, exemption from payments to the stabilization fund and other benefits. The Cabinet of Ministers also supported the proposal for including into the government debt the 7.5 billion rubles of bank credits to oil and gas extracting facilities.

Prime Minister Valentin Pavlov said that these measures can solve the industry's problems only this year. As for the future of the fuel and power complex in general, its problems must be discussed by republics in the Council of the Federation. For instance, it is still unclear how the Union and individual republics will, as the draft of the union treaty puts it, jointly run the industries of that complex and finance them. Besides, the Council of the Federation must discussing pricing policies. [as received]

At the meeting of the Cabinet it was announced that in the first six months of the year 262 tons of oil were extracted (48 percent of this year's state order of 547 million tons). The extraction of gas totalled 50 percent of the government order. Half of this year's export of oil (30 million tons of crude) has gone abroad.

Sophisticated Goods Produced at Converted Plants

PM1507150791 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 10 Jul 91

[From the "Vremya" newscast: from Voronezh, by V. Foshenko, identified by caption]

[Text] We are filming this shop for the first time—behind me on the assembly stand an "Energiya" rocket motor is being assembled and installed. This is the pride and achievement of two collectives—the "Khimavtomatika" design bureau and the Voronezh mechanical plant. But recently the shops of this enterprise have started manufacturing something else that the collective is pinning great hopes on.

Yes, I'm talking about conversion. Using a development of the All-Union Medical Equipment Scientific Research Institute—a pressure chamber—the Voronezh engineers have significantly extended the possibilities of using this apparatus in treating the sick. There is a mincer or, in simple terms, a meat grinder. Incidentally, even technologically advanced Western countries buy the blades for this machine with satisfaction, and our neighbors in the South and East willingly buy these simple gas cookers from us, also for hard currency. Apparently conversion is bearing fruit. But nevertheless...

[Unidentified man] Today we are quite able to manufacture any article that can be bought abroad for the oil and gas industry—we can make everything. So we now have to carry out a second conversion. That is, during the first stage the products that we were assigned or we took on ourselves ought to have been handed over to enterprises with a lower technological standard, whereas our priority is to earn currency.

First High Pamirs GES Expected 'This Year'

PM1607155191 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 11 Jul 91

[From the "Vremya" newscast: By M. Madzhidov and S. Dzheglov, identified by caption]

[Text] [Announcer] It has been decided to build a series of GES's [hydroelectric power stations] on the fast mountain rivers of the High Pamirs, one of which will come on line this year.

[Madzhidov] Twenty-six small GES's will be built in the gorges between the giant mountains. This figure sounds impressive, but it's actually quite small. There are more than 170 rivers in the Pamirs, with a capacity equal to 13 million kilowatts. Paradoxically, despite this enormous potential, the inhabitants of Tajikistan's Gorno-Badakhshan Autonomous Oblast mainly use power generated by diesel stations. A river of solar oil—15,000 tonnes' worth—is shipped up the narrow winding mountain roads every year instead of bread, butter, and other highly necessary items for the mountain people. Last year not enough solar oil was delivered. The Pamirs are cut off from the rest of the country during the winter, around 60 villages were without power for a time, and it looks as if the situation is not about to improve this year. The people of the region are now pinning all their hopes on the hydroelectric engineers, who here, on the Gunt River, are building the highest and most unique hydroelectric station in the country—the Pamir-1 GES. It is necessary to finish laying the 3.5-km tunnel, erect the GES buildings, and assemble the first power unit. But the most remarkable thing is that there's no need to flood thousands of hectares of highly valuable land before it can start operating. Instead of the high dams we are used to, there will be a six-meter dam and a reservoir with a day's supply of 400,000 cubic meters of water. Just a reservoir instead of a sea. The mountain people will be

enjoying the cleanest and cheapest type of electricity there is. The capacity of the Pamir-1 station will be 28 megawatts.

Agriculture

Shortfall Expected in Grain Harvest

LD1307180891 Moscow Central Television First Program Network in Russian 1530 GMT 13 Jul 91

[From the "Vremya" newscast]

[Text] This year, experts believe, the gross yield of grain crops will be 25-30 million tonnes down on last year. The amount procured will amount just to 60-65 million tonnes. But even this amount still needs to be purchased, as the saying goes. After all, last year's situation, as everyone knows, must not be repeated. Now as never before, all the republics must coordinate their actions to fulfill the state order for grain.

The decision by the USSR Cabinet of Minister, which has been coordinated with the republican governments, sets out incentives for grain producers. Thus, for instance, up to 10 percent of market funds in the republics is to be channelled into motor vehicles, domestic appliances, clothing, construction materials etc for resale in return for grain. There are also other measures: 1 billion rubles from the presidential reserve fund will be allocated to the State Committee for Purchase of Foodstuffs to enable it to carry out successful procurement.

Cabinet Issues Resolution on Grain Resources

PM1707092991 Moscow PRAVDA in Russian 16 Jul 91 First Edition p 1, 2

[TASS report under the rubric "At the USSR Cabinet of Ministers": "Full Granaries Mean a Strong Economy"]

[Text] We have all witnessed the exacerbation of the situation concerning grain purchases for state resources in recent years. In a number of regions difficulties have arisen as a result in ensuring the supply of bread to the population and of mixed feeds to industrial livestock raising units. The reasons are well known: The quality of grain production has deteriorated, procurement discipline has slackened, and the prevalence of local interests has reached an impermissible scale—and all this taken together has sharply restricted the possibilities of a rational utilization of the country's grain resources.

As a result the constantly rising level of grain purchases abroad in conditions of foreign currency shortages has produced a heavy burden on the country's economy.

How can the reliable and uninterrupted supply of the population with grain products, and of the livestock raising sector with mixed feeds, be ensured? What measures are being taken by the country's government? A few days ago the USSR Cabinet of Ministers adopted an important resolution "On measures to ensure concerted actions by union and republic organs in forming state grain resources from the 1991 harvest."

In view of the special importance of concerted actions by union and republic organs in forming state grain resources, the USSR Cabinet of Ministers has instructed republic governments and the USSR State Committee for Purchases of Food Resources to jointly adopt exhaustive measures (including the additional conclusion of contractual agreements) to ensure the purchase of 77 million tonnes of grain from the 1991 harvest. This volume has been defined by the economic agreement between the union and union republics on questions of food and agricultural raw material deliveries in 1991. In short, the state order for the delivery of grain to state resources (including the all-Union stock) is now binding.

If a republic fails to meet the set level of grain deliveries laid down in the agreement, this republic's shortfall will not be made up from the all-Union stock.

This is the stick, so to speak. But there is also a carrot. The USSR Cabinet of Ministers resolution containes the following passage: Republic governments are instructed to dispatch prior to 1 October 1991 for the purpose of counter-sales (at state wholesale and retail prices) in return for grain sales in excess of the state order a monthly quota (as of August this year) of cars, refrigerators, washing and sewing machines, knitwear and clothing, leather footwear, construction materials, coal, and other consumer goods from stocks earmarked for market sales.

As incentives for sales by labor collectives of kolkhozes, sovkhozes, and other agricultural enterprises, and for purchases by labor collectives of procurement organizations, of grain in excess of the state order, the USSR State Committee for the Purchase of Food Resources has been allocated an additional 33,000 cars including cars from market stocks allocated to the Tsentrosoyuz [Central Union of Consumer Societies], from stocks earmarked for export, from the market stock reserve, and from reduced deliveries of cars to general purpose transport enterprises. Some 40,000 tonnes of cement from the USSR Cabinet of Ministers reserve, 2 million standard slates from the nondistributed reserve, and 20 million rubles worth of imported furniture have been earmarked for the same purpose.

What is the state "price scale" for counter-sales of material and technical resources and consumer goods to farms?

A "KamAZ" truck will cost between 400 and 500 tonnes of grain, depending on the group in which farms are classed. Truck makes like the ZIL-131, ZIL-4314, ZIL-4415, and others will cost between 250 and 300 tonnes of grain. The rates for small-engine-capacity cars are somewhat different—500 to 600 tonnes of grain for a GAZ-2410; 300 to 400 tonnes for a VAZ-2121 "Niva;" 250 to 300 tonnes for a VAZ-21063, "Moskvich-2141," and Moskvich-412;" and 200 to 250 tonnes for a "Tavriya."

A domestic sewing machine will cost between 5 and 10 tonnes of grain, and a refrigerator between 8 and 10 tonnes. Imported clothing, knitwear and hosiery goods will be sold to farm workers at a rate of a ruble's worth of goods for a ruble's worth of grain. In short, the "grain currency" rate will be easily understood by everyone.

Stocks of the allocated material and technical resources and consumer goods are handed over to procurement enterprises and organizations and marketed by them via material and technical supply and trade organizations in line with the fulfillment of the conditions for grain sales to the state by kolkhozes, sovkhozes, and other agricultural enterprises.

In past years farms kept large quantities of grain back for their own consumption to offset the shortages of mixed feeds for livestock and poultry. This year mixed feeds will be sold to kolkhozes, sovkhozes, and other agricultural enterprises at lower prices in accordance with the USSR Cabinet of Ministers Resolution No. 313 of 31 May 1991 in exchange for grain delivered by them. State mixed feed industry enterprises will be compensated for the difference in the mixed feed price under a procedure to be determined by republic governments.

There is no need to explain why it is preferable even for our farmers to sell grain and other agricultural produce to the state for hard currency rather than worthless rubles. And it is right to do so. Let the dollars earned from petroleum exports stay in our countryside rather than flow into the pockets of farmers across the ocean.

Bearing this in mind, the USSR Government has extended to 1991 the practice of purchasing grain and oil-yielding crop seeds from farms for freely convertible currency by means of funds earmarked for the purchase of grain abroad. Differentiated payments in rubles will be laid down in accordance with the commercial exchange rate of the freely convertible currency.

For example, the price of a tonne of hard wheat, depending on its grade, will total between 240 and 135 rubles in freely convertible currency, and between 180 and 120 rubles for soft wheats. For a tonne of rice or mustard farmers will get 300 rubles in freely convertible currency, and 180 rubles for a tonne of corn, 330 rubles for soybeans, and 240 rubles for pulses and rape seed. Many farms will have a real opportunity to replenish their hard currency accounts.

It has also been laid down that freely convertible currency will be paid for grain and seeds of the aforementioned oil-yielding crops provided that the farm has fulfilled the state order (and in the RSFSR, the tax in kind and the state order) as a whole for grain or oil-yielding crops seeds, respectively.

There will be no counter-sales of material and technical resources, consumer goods, oil-cakes, or concentrates to farms for grain and oil-yielding crop seeds sold to the state for freely convertible currency.

A reasonable question arises here—where can the hard currency so earned be invested most effectively?

With a view to accelerating the retooling of food enterprises, establishing most modern production facilities for the processing of produce and mastering modern progressive production techniques in agricultural production and the food industry sectors, the government is advising kolkhozes, sovkhozes, and other agricultural enterprises to use the hard currency funds that have been earned for the acquisition of modern equipment, agricultural machinery, and chemical plant protection agents.

The USSR Ministry of Foreign Economic Relations, USSR Ministry of Agriculture and Food, and USSR State Committee for Purchases of Food Resources will provide effective assistance to farms in the acquisition of the aforementioned material and technical resources.

Let us also draw attention to a number of other points in the Union Government resolution which state that the grain purchased for freely convertible currency and also as a result of counter-sales of material and technical resources and consumer goods provided for under the resolution, is to be channeled into the resources of the all-union stock and utilized in accordance with USSR Cabinet of Ministers decisions agreed with republic governments.

Kolkhozes, sovkhozes, and other agricultural enterprises are authorized to freely sell grain from the 1991 harvest on the consumer market provided that they have fulfilled the state order in full.

And here is another special feature of the "harvest-91." With a view to acquiring additional grain for state resources this year, and accelerating the switch to a new economic footing of the collaboration between kolkhozes, sovkhozes, other agricultural enterprises and procurement organizations, the USSR State Committee for Purchases of Food Resources and republic and local procurement organs will begin to buy up grain sold by farms on grain exchanges at contract prices.

The transition to a market economy is forcing us all to think not only about the present but also about the future. We must also give some thought to next year's harvest and to improving incentives for suppliers of grain for unionwide needs. By decision of the union government, the USSR Ministry of Economics and Forecasting and the USSR Ministry of Material Resources, together with the USSR State Committee for Purchases of Food Resources have been instructed to make provision in the 1992 draft plan and socioeconomic development forecast for the allocation to this committee of material and technical resource stocks needed for counter-sales in return for grain supplied to the all-union stock.

Farmers Reluctant To Sell Grain to State

PM1507104091 Moscow PRAVDA in Russian 15 Jul 91 Second Edition p 1

[Feature comprising reports by correspondents M. Odinets in Kiev and N. Mironov in Dnepropetrovsk, plus comment by N. Musiyenko, under the rubric "Topical Theme": "So Shall the Granaries Reap"]

[Text] [M. Odinets report] Kiev—"This year's grain is excellent," V. Yuzvenko, chairman of the Vinnitsa "Ukraina" Kolkhoz, said. "You can hang your hat on the ears of grain, and they stand up to it. We should be rejoicing, but we have no great desire to. The grain growers will again be forced to sell less grain to the state than planned."

And that will apparently be the case not only on this farm. The reasons are plain to see. In the last three years the state has not once fulfilled its commitments to the grain growers as regards deliveries of machinery and other material resources in exchange for above-plan grain; they are owed nearly 800 tractors, more than 3,000 trucks, 650 buses, and 330 crane trucks.

Allocations for the countryside are continuing to fall. Agricultural machines and equipment and construction materials have risen steeply in price, and the procedure for sales of feed concentrates in return has disintegrated. So the kolkhozes and sovkhozes are keeping a significant proportion of the crop for the farms' own needs and for barter deals and deliberately violating forward contracts for grain deliveries.

This year such contracts were concluded in the Ukraine for only 14.2 million tonnes, compared with a minimum state order of 19 million tonnes. Even if the contracts are fulfilled, there will be enough grain to meet the demand of the republic's population for grain products only until April-May. And feed concentrates are also needed.

So the situation is undeniably alarming. It was discussed at a recent session of the Ukrainian Communist Party Central Committee Politburo.

It was noted that Communist leaders should create conditions such that the peasants would be eager to sell grain to the state. To this end a number of measures to increase material incentives were proposed. For instance, that when grain is sold in excess of the level achieved in the last five-year plan, the farms should be paid at average world market prices in freely convertible currency, or at the prices reached at the grain exchange. There were proposals to allocate to the republic's State Committee for Grain Products scarce machinery, construction materials, rolled ferrous metal products, and pipes. And to set up a special stock of cars, motorcycles, refrigerators, televisions, sewing machines, and washing machines at the Ministry of Trade and the Ukrainian Cooperatives Union. Again in order to provide incentives for the farms to sell grain in a volume greater than the level achieved in 1986-1990. Proposals were also put forward for paying the grain growers monetary supplements and bonuses. There was talk of setting up operations staffs to resolve problems relating to the harvesting of the crop and the procurement of grain.

[N. Mironov report] Dnepropetrovsk—A conference-seminar of leaders of agro-industrial committees of the Ukraine, Moldova, Belorussia, and the Baltic republics was held in Dnepropetrovsk the other day.

"We have gathered here in order to consult on how to get grain out of the farms," M. Timoshishin, chairman of the USSR State Committee for Purchases of Food Resources, announced.

Not, in fact, the easiest task. The old methods, whereby grain was extracted from the kolkhozes and sovkhozes more or less by force under the requisitioning system, will not do nowadays. But those assembled were unable to propose anything new to take their place.

Here is a characteristic detail. When N. Kompanets, chairman of the Ukrainian State Committee for Grain Products, stated that this year it will hardly be possible to contribute anything at all to the all-Union stocks, a question rang out from the conference presidium: "So what are we to do?"

"I don't know," N. Kompanets replied. "I thought you would tell us."

Can that really be called a serious discussion? And is there really no alternative to purely administrative measures and the erection of customs barriers between regions? Has there not been plenty of time to consider grain procurement in detail and impose effective economic sanctions for the nonfulfillment of contracts, as is done throughout the civilized world?

[N. Musiyenko article] Quite a good grain crop has ripened in the fields, yet some people are talking seriously about a coming famine. Because the farms prefer to keep the grain for themselves. But the peasants have no reason to let the grain spoil. They would be glad to sell it to the state, if they could buy in exchange, without delay and at acceptable prices, the machines and goods they need. Nonconvertible rubles are no incentive to anyone nowadays.

The situation in the country's economy is difficult. It is not only the countryside that is short of material resources. But in any event the country people are not going to find themselves without food: There is grain in the stores. But what can people in the cities expect, if they fail to fulfill their commitments to the grain growers? Food purchases from abroad again? Where is the money to come from? And again we are talking, talking... Although this is not March or April, it is July—harvest time. All this talk could stir up trouble with the grain, just as it has stirred up trouble with many other things.

Army To Help 'Save' Volgograd Oblast Harvest

PM1607092991 Moscow KOMSOMOLSKAYA PRAVDA in Russian 13 Jul 91 p 1

[Report by D. Shevarov: "Salvation Army"]

[Text] It would appear that, when it comes to supplying the housewife with celery and other vegetables, only the Ministry of Defense can be relied on.

The fields of Volgograd Oblast have been scorched by a heat wave the like of which has not been experienced since 1972. Crops on tens of thousands of hectares of land have perished or have been damaged. The Army, which itself experienced a food crisis last winter, will have to save what remains of the harvest. Army subunits have arrived in Volgograd from Moscow, Novosibirsk, and other cities of Russia to save the harvest. Air Defense servicemen are on their way. Six motorized battalions of "reservists" are being formed at military commissariat bases.

Instances of the appearance of volunteers with their own transport have been recorded. The majority of these volunteers are fathers of large families. They are officially allowed to fill not just the Motherland's granaries, but their own as well.

Finnish Defense Minister Mrs. Elisabeth Rehn, who arrived in Volgograd on an official visit, might have become the first foreign observer of our military field work, but apparently she had a different program.

In spite of the food supply difficulties, a dinner was held in Mrs. Rehn's honor.

Tula Farmers Demand Harvest Help From Cities

PM1607115991 Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 3

["Direct Line" report by Arnold Pushkar: "Go All Out to Help the Peasants"]

[Text] Tula—A session of the Tula Oblast Soviet has decided to introduce emergency measures for the harvest period. Enterprise workers will be ordered to go to kolkhozes and sovkhozes in the next few days.

The harvest campaign has already reached the center of Russia: They have started harvesting grain crops in Yefremovskiy Rayon, although hay procurement is not yet over. It is a good harvest in the oblast. But the first few days of the campaign indicate that if the linkup between the city and the countryside remains at the present level they will not get the grain in and the oblast, top-heavy with military and chemical plants, will remain on starvation rations. The ultimatum from the agricultural people to the oblast soviet was: Declare a state of emergency in the oblast and order industrial enterprise workers to go to the countryside. Otherwise the agricultural people will reserve the right to suspend supplies of milk and meat to industrial enterprise dining rooms and exchange their livestock products for manpower from other oblasts.

Drought 'State of Emergency' in Bashkirstan

PM1607131991 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 11 Jul 91

[From the "Vremya" newscast: Report by M. Gafurov and V. Sharifullin, identified by caption]

[Text] [Gafurov] In Khaybullinskiy Rayon even the boreholes have dried up and many inhabited places are deprived of drinking water. For not a single drop of water has fallen to earth for two months and the temperature of the soil surface has reached 70 degrees. The sun has scorched the hayfields. The grain crops are in a very sorry state. And even in one of the best crop-bearing rayons, Karmaskalinskiy Rayon, the farmers' hearts are gripped with concern.

[I.S. Izhbuldin, chief of Karmaskilinskiy Rayon Soviet Agriculture Department—identified by caption] This field, which is cleared fallow land, has just been sown using intensive techniques with "Chulpan" variety seeds, and they developed very well. But if there were rain here we could harvest more than 30 quintals. These days, however, we are expecting 25 which, if we actually harvest that much, will be very good. But there are very few fields like that, unfortunately.

[Gafurov] Naturally, even 25 quintals is not such a bad crop. Incidentally, the "Chulpan" variety of winter rye developed by the seed breeders of Bashkirstan usually provides 50-60 quintals of grain per hectare.

As far as other crops is concerned, the situation is even worse. There is a great danger that the republic will be without bread. For that reason the Bashkirstan Supreme Soviet has declared a state of emergency, stipulating a special work regime for enterprises, institutions, and organizations. This is an extreme measure intended to diminish and alleviate the consequences of the drought and save what has not yet been scorched by the pitiless sun.

Supplies of Fruit, Vegetables Fall

PM1607104791 Moscow KOMSOMOLSKAYA PRAVDA in Russian 13 Jul 91 p 1

[Report by Ye. Minilbayeva under general heading "Salvation Army"]

[Text] You could tell that there was nothing in the store even before you went in—the faces of shoppers coming out of the store were gloomy and their string bags were hopelessly empty.

Sergey Khorev is the chief of the Fruit and Vegetable Production Department at the former USSR State Agro-Industrial Committee, nowadays the USSR Council of

Ministers State Commission for Food and Purchases Main Administration for State Food Resources. When I put to him the simple question: "Why are there no fresh fruit and vegetables on the shelves at the height of the season?", Sergey Gennadyevich gave an equally simple answer: "There is no actual produce to be had. This year the state order for fruit and vegetable deliveries has been withdrawn. Accordingly, the supply has been withdrawn too: There is no diesel fuel, no people. In these conditions, instead of potatoes, carrots, and beetroot, which are not very profitable, farms prefer to plant crops with a higher level of profitability. Hence the area of land sown to potatoes just in, for example, Ryazan Oblast, which is traditionally a supplier of potatoes, has been reduced by a factor of 3-3.5. Essentially, an unprecedented recession is underway throughout the country in the production, purchase, and delivery of agricultural output. For example, whereas 16.4 million tonnes of potatoes were purchased in 1981-1985,, last year this figure was only 10.8 million tonnes. And the purchase of other vegetables has dropped from 21 million tonnes in 1986 to 16.9 million tonnes in 1990.

"We have repeatedly appealed to the government over the numerous problems faced by the fruit and vegetable sector, and it has adopted some measures. For example, by a recent Cabinet of Ministers ruling, the Ministry of Defense was instructed to transport some of the perishable produce on military transport planes. Moreover, transportation is carried out at preferential rates, but this is roughly 60,000 rubles per flight."

At Military Transport Aviation central headquarters Colonel Yevgeniy Kryuchkov, chief of the Shipping Department, clearly and concisely put me in the picture: "Indeed, whereas formerly military pilots carried fruit and vegetable shipments virtually free of charge, now a number of government resolutions have entirely relieved us from having to make contributions to the state budget.

"Moscow and Leningrad were on our list of customers, but as of the present time we have not received a single request from these cities, although the consumer prices for fruit and vegetables transported by our planes and by civil aviation are virtually identical, and therefore it is far more advantageous to use our services. For this reason we carry quite a few fresh vegetable shipments for small enterprises, cooperatives, and various firms—they, unlike state enterprises, are more enterprising and better organized."

Military

Fighter 'Disappeared' in Volga-Ural District

PM1607190191 Moscow PRAVDA in Russian 17 Jul 91 First Edition p 1

[Report from PRAVDA-TASS-RIA roundup: "Interceptor-Fighter Disappears"]

[Text] An interceptor-fighter has disappeared from the radar screens of Volga-Ural Military District air traffic controllers. It is carrying a basic ammunition load. According to official data, the aircraft was on a training flight in the region of the cities of Nizhniy Tagil and Kushva. The crew of a second aircraft participating in the flight could not throw any light on the situation at all. A search is in progress.

Said To Be Unarmed MiG-23

PM1607223191 Moscow KOMSOMOLSKAYA PRAVDA in Russian 17 Jul 91 p 1

[I. Kadulin report: "MiG Lost"]

[Text] URAL-AKTSENT reports that a MiG interceptor-fighter carrying a basic ammunition load has disappeared without trace in the region of Nizhniy Tagil.

We contacted the Air Defense Forces command post, where we were told that contact with a MiG-23 aircraft was indeed lost at 1756 hours 15 July. Most likely the aircraft met with an accident, but so far a search has found nothing. The Air Defense Forces command denies the presence of a basic ammunition load on board, since the aircraft, according to them, was on a training flight.

Claims About 1984 Severomorsk Fire Denied

PM1607084991 Moscow KRASNAYA ZVEZDA in Russian 12 Jul 91 First Edition p 3

[Article by Rear Admiral V. Aleksin of the USSR Navy Press Center under the rubric: "Warning—Forgery": "What Happened in Severomorsk in May 1984?"]

[Text] On 29 June 1991 the Moscow newspaper KURANTY [The Chimes] published under the byline of V. Fedotov, senior lecturer at Ivanovo State University, a version of an event which the editors believe was on the scale of Chernobyl and which very nearly brought the world to the brink of World War III. The article in KURANTY was indeed entitled "On the Brink of World War III?"

The only truth in this article is the name of Severomorsk City and the fact that "something happened" there. All the rest is not only untrue, but a pile of nonsensical absurdities that are incompetent from a military point of view and correspond neither to common sense nor to the actual events.

The naval commission that investigated the fire in the technical wing of a naval arms depot in Severomorsk quickly and accurately established the causes of the occurrence and those responsible for it. The writer's fantasies about a common room with an electric boiler, about nuclear warheads, and so forth can only be put down to his incompetence in these questions. Nowhere in the world, including in the USSR Navy, are nuclear warheads allowed to be handled in the way described by KURANTY at any stage of the military nuclear process, from planning, stationing, the organization of storage, and maintenance, down to the combat use of weapons with these warheads. There were not and could not have been nuclear warheads

on the territory of the depot: No one ever keeps nuclear and conventional weapons in the same place anywhere.

V. Fedotov's statement concerning "a combat missile launcher abandoned in the lapland tundra and aimed at neighboring Norway" should be considered completely irresponsible and even provocative.

The USSR Navy has no land-based missile launchers aimed at neighboring northern states.

The only carriers of missile weapons designed to hit surface targets that we, like the naval forces of NATO countries, possess are ships.

There were, of course, no "answering salvoes" from air defense ships either, for there was no need for them: The "unsanctioned launch from the lapland tundra" is the product of the imagination of the author of "On the Brink of World War III?"

So what really happened in May 1984 in Severomorsk? According to the documentary data and the testimonies of numerous participants and eyewitnesses, a solid-fuel rocket booster ignited in the technical wing of the Northern Fleet's conventional naval arms depot in the Severomorsk area. The culprits, who had been smoking next to it, survived and did not deny their guilt.

The first to notice the smoke in the technical wing was the ordinary seaman on sentry duty, who straightway sounded the alarm in the guardroom. Roused on the command "To Arms!", the guard arrived on the scene within four minutes and proceeded to try to extinguish the fire. Within another five minutes the depot personnel and two fire engines from the unit, raised by the alarm, arrived on the scene. However, the initial measures aimed at localizing the fire did not meet with success, since several more solid-fuel rocket booster engines alongside the first quickly caught fire and exploded also, and the area of the fire increased rapidly.

The fire-fighting operations were directed at the scene of the event by Rear Admiral A. Ilin—chief of the Northern Fleet directorate responsible for the depot in question.

Fleet Commander Admiral A. Mikhaylovskiy did indeed leave his command post, from which he had been directing all the emergency rescue operations. But he left it not to "run off to Kandalashka," as V. Fedotov claims, but to go to the scene of the event in order to personally assess the situation. After which Admiral Mikhaylovskiy went back to the fleet command post and reported to the commander in chief of the Navy and the chief of the USSR Armed Forces General Staff about the measures that had been taken.

Through the efforts of the units and specialized subunits of the Northern Fleet, using several dozen items of special equipment, in less than two hours from its discovery the fire was localized and then extinguished completely. Three hours after the beginning of the events some of the population evacuated to Murmansk began to return to Severomorsk.

Two men were killed in fire-fighting operations: An ordinary seaman from the guard and an officer of the depot. Two men were injured: An officer—the chief of the guard—and one ordinary seamen from the guard; in other words, those who were in the first wave and who fought against the fire from the first minutes.

No one was decorated among the personnel of the Northern Fleet. The Navy has no information about decorations for people from Senior Lieutenant A. Kroitoru's fire squad or other Murmansk Internal Affairs Administration workers.

On the basis of the results of the investigation into the causes and the circumstances of this emergency orders were issued by the USSR minister of defense and the commander in chief of the Navy. These orders contain assessments of the activity of all the officials involved in the events, lay down strict penalties, and indicate urgent concrete and effective measures to warn of such events.

The combat readiness of this technical base was somewhat reduced for a short time. People who remember 1941 understand that you do not shout about such events from the rooftops to all interested parties.

The standpoint of the author of "On the Brink of World War III?" and the editors of KURANTY is amazing. On the basis of approximate information on the event and absurd rumors, they hastened to concoct a sensation. And yet, of course, they could have turned to the Navy Main Staff and received exhaustive information from that quarter.

Accusations of "cowardice and panic" against the Northern Fleet officers and command who, as military duty requires, fought the fire and averted a major disaster are not only inappropriate and unacceptable, but provocatively offensive and cast aspersions on the whole officer corps of the Northern Fleet and the Navy as a whole. On those who every day and every hour risk their lives at sea and are directly responsible for the defense of the Motherland.

Training Departments To Close by 1 Nov

PM1607160591 Moscow KRASNAYA ZVEZDA in Russian 12 Jul 91 First Edition p 1

[Unattributed report under the "Army and Navy News Service" rubric: "The Officers Will Not Be Unemployed, of Course, but..."]

[Text] The military training of students as part of the program for reserve officers will come to an end 1 September 1991 in a number of the country's higher educational establishments. And the military (naval) departments at some higher educational establishments in the Baltic, Moldova, Georgia, and Armenia will be disbanded before 1 November.

The officers who will be discharged as a result of this will be sent to augment USSR Armed Forces branches (combat arms), and USSR Ministry of Defense main and central directorates.

Estonia

Events at Narva Border Post Recounted

LD1607224691 Tallinn Radio Tallinn Network in Estonian 0900 GMT 16 Jul 91

[Text The news last night from the border post at Narva is that a rally was organized there toward the evening and that it was mostly aimed against the border post. Thereafter matters developed as Udo Helme [chairman of the working group on Estonian-Latvian border issues] reports:

[Helme] Last night the Kohtla-Jarve workers' squad—or the organization for the protection of order, as they call themselves—prepared for a serious attack at the [mobile] customs post at the 19th kilometer point along the Narva-Tallinn road. At about 2100 a gang of 15 men dressed in army uniforms was standing across the customs post, with a UAZ-type truck belonging to the Johvi civil defense regiment. At first it seemed to me that the group was led by a senior lieutenant paratroop. Apart form him one or two other individuals were also wearing Soviet Army insignias. The senior lieutenant aroused particular interest in me. I introduced myself and asked the citizen senior lieutenant to introduce himself. The senior lieutenant took a squad member's ID out of his pocket. He turned out to be a (Mikhachuk). (Mikhachuk) has no connection with the Soviet Army. He left active service a couple of years ago and is wearing the army uniform unlawfully.

After seeing that I accosted the citizen senior lieutenant, a short individual approached me and said he was (Belov), chief of this particular group and the whole Kohtla-Jarve gang. He said that they were ensuring that the town of Narva is supplied with foodstuffs and would not allow for the town to become surrounded by a blockade. They live in the Soviet Union and follow only USSR laws and decrees of the Soviet president. I could not refrain from asking about the suspension of the work of the Khotla-Jarve workers' squad. I was told that the situation is such that it is necessary to continue creating order and to secure Soviet power in the Estonian Soviet Socialist Republic [SSR]. When questioned about the person who charged them with a task like this, references were made to Mikhail Gorbachev directly and to his decrees to liquidate all unlawful armed formations.

A conversation with such well-informed individuals took over half an hour and was useful. For example, I know now that there are 42,000 men in the Kaitseliit [defense league] armed to their teeth, and as many in the Kodukaitse [home defense]. And they all are unlawful and must be dispersed immediately. I know that Kohtla-Jarve workers' squad has the right to extend its control to both west and east Virumaa districts because these are Estonian SSR industrial rayons and need protection from separatists. I also learned a lot about which I cannot call anything other than demagogy. I did not, however, find out where the armed forces of both Kaitseliit and Kodukaitse are located. It would be interesting to know but well, as secret is a secret.

After the conversation which lasted over a half-hour one could see that there were further forces arriving. A Zhiguli stopped a short distance from the customs post carrying four men. When the customs men stopped work at 2200 another Zhiguli with a crew of four men inside settled on the Narva side of the customs post. At the time the senior lieutenant announced that if Estonia becomes independent, he and his gang will go into the woods and start destroying Estonian separatists.

Residents Protest Economic Zone

LD1607143191 Moscow TASS International Service in Russian 0712 GMT 16 Jul 91

[Text] Narva, 16 Jul (TASS)—"No to economic border," "Yesterday they were turning parcels inside out at the post offices, today they are turning cars and bags inside out, tomorrow they'll be turning out our empty pockets," "No to a blockade of Narva." Residents from three towns in northeastern Estonia, Narva, Sillamae and Kohtla-Yarva, came with slogans like that to Kilometer 191 of the Tallinn-Leningrad highway on Monday.

This is exactly at the center of the "war of laws" at the moment. These towns, which are a pocket of Russian-speaking residents of Estonia, have proclaimed the supremacy of Union legislation on their territory and have declared the law of the Estonian Republic on the economic border invalid. For several days a mobile customs post, set up instead of the one closed by Narva Town Soviet on the Friendship Bridge joining, or rather, in this situation, dividing Estonia and the Russian Federation, has been functioning here.

Those taking part in the meeting noted in their speeches that the Estonian Government should take heed of people's real worries: lift trade levies, sort out taxation policy and not put up barriers to the market in the form of duty.

Officers in the customs department tried during the meeting to carry out an inspection of the motor transport coming into Narva. However, those taking part in the meeting and members of the workers' voluntary militia hampered them.

A meeting is planned for today between the Estonian leadership and the leaders of local bodies governing the towns in the northeastern region.

'Unsettled' Situation Reported

OW1707060691 Moscow BALTFAX in English 1800 GMT 16 Jul 91

[Transmitted via KYODO]

[Text] According to REFAK, a regional newsagency based in the north-east of Estonia, the Sillamjae city council at its meeting on July 16 expressed support for

the move by the city council of Narva to put an end to the operation of Estonia's customs checkpoints on the territory of the town.

As is known, a customs checkpoint had been established on a bridge across the Narva river on the border between Estonia and the Russian Federation. Narva's city council decided that the checkpoint be removed. After that, Estonia's republican authorities opened a new checkpoint on a highway linking Narva and Tallinn not far away.

The Sillamjae city council also decided to join forces with the authorities of Kohtla-Jarve and Narva to draw up a "package of measures to put an end to the operation of customs checkpoints and create conditions for normal life in the region". It was also suggested to the city councils of Kohtla-Jarve and Narva that they hold a joint session to put together a programme of joint action.

A BALTFAX correspondent reports that the situation in the three towns (all of them in north-eastern Estonia), whose predominantly Russian-speaking population is opposed to Estonia's secession from the Soviet Union, is unsettled. The region's inhabitants are also dissatisfied with the decision of Estonia's parliament to suspend discussions about the setting up of a free economic zone in Narva, as well as with a sharp increase in prices of food products.

Savisaar To Discuss 'Tension'

OW1707050491 Moscow BALTFAX in English 0930 GMT 16 Jul 91

[Transmitted via KYODO]

[Text] A meeting of Prime Minister of Estonia Edgar Savisaar with Chairman of the Narva City Council Vladimir Chuikin and other leaders of Estonia's north-eastern region is to take place today in Tallinn. Participants in the meeting will try to settle disagreements which over the last weeks caused tension between the republic's leadership and the region's authorities.

As is known, on July 2 the Narva City Council decided to liquidate a customs post situated in the city in response to price hikes and suspension of work on creating a free economic zone in Narva.

A rally staged near another customs post outside of the city Monday demanded total liquidation of the economic border.

One more rally in Narva last week called for the region's separation from Estonia and creation of a republic entering the Soviet Union.

The City Councils of the three Russian-speaking cities in the north-east of Estonia—Narva, Sillamae and Kohtla-Jarve have repeatedly announced their adherence to the Soviet Constitution despite decisions by the Estonian parliament.

At a news briefing in Tallinn Monday Edgar Savisar said that "opportunities to resolve the crisis of power in the north-east are worsening day by day." He added that the question of the customs post will be considered along with other problems of the north- eastern region.

Communists 'No Confidence' in Savisaar Cited

OW1707054091 Moscow BALTFAX in English 1800 GMT 16 Jul 91

[Transmitted via KYODO]

[Text] According to a report carried by the "RAHVA HAAL" newspaper on July 16, a number of Estonia's parties and movements, including the Communist Party, the Internationalist Movement and the United Council of Employees, declared on Monday that they had no confidence in Mr Edgar Savisaar's government.

Representatives of these organsations reached the conclusion that the blame for the fall in living standards in Estonia following the freeing of prices of foodstuffs lay with the republic's government.

Latvia

Commission Investigation of OMON Detailed

LD1607180691 Riga Radio Riga International in Latvian 0430 GMT 13 Jul 91

[Text] The newspaper DIENA today published the standpoint expressed by some USSR people's deputies who have worked in the deputies' commission investigating the events in the Republic of Latvia on 22-24 May. In their opinion, all the actions of the Special Purpose Militia Detachment [OMON], the so-called Black Berets, starting from January, are being planned and coordinated between the Latvian Soviet Socialist Republic Procuracy and the USSR State Security Committee. The deputies think that further OMON activity in Latvia could lead to the occupation of banks, and that this could take place within the next 10 days, starting with a provocation against the OMON from the nationalistic [word indistinct]. However, the deputies' commission is also reported to know that a (?rising) by the OMON is to be expected, because many want to leave these units, although they are afraid to. Likewise the commission is said to have information at its disposal that the killing of the former OMON member [name indistinct] was carried out by the OMON, to intimidate men who want to leave the service of the unit.

Lithuania

Vagnorius Issues Appeal to G-7 Meeting

LD1607105791 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 16 Jul 91

[Text] Seizing the opportunity of the G-7 summit in London, Lithuanian Prime Minster Godmanis Vagnorius has appealed to the G-7 leaders in the following letter:

Dear sirs, in connection with the G-7 summit in London, where economic aid to the Soviet Union will be discussed, I want to express on behalf of the Government of the Republic of Lithuania the hope that such aid fosters the acceleration of the process of democratic and economic reform in the Soviet Union.

While carrying out vigorous social and economic reforms, the Republic of Lithuania is also interested in real change in the Soviet Union. We are determined to resolve all issues concerning our relations with the Soviet Union through interstate negotiations with the Soviet Union conducted in a good-neighborly and cooperative spirit. It is not our responsibility that these negotiations are not taking place. The solution of this issue will eliminate a dangerous hotbed of tension in the Baltic region and create favorable conditions for the solution of economic problems, both in this region and in the Soviet Union.

We are deeply convinced that the liberation of the buildings of the mass media—the radio and television of the Republic of Lithuania—which were occupied by force by Soviet Armed Forces in January is one of the most important steps to be taken for the elimination of the hotbed of tension in the Baltic region.

This is the issue that Mr. Gorbachev, president of the Soviet Union, who is taking part in your summit and who is determined to implement wide-ranging democratic reform, is really able to resolve.

Dear sirs, the government of the Republic of Lithuania expects your approval and support so President Mikhail Gorbachev adopts this decision of goodwill.

Vagnorius: No Economic 'Shock Therapy' Methods

PM1607124591 Moscow IZVESTIYA in Russian 13 Jul 91 Union Edition p 3

["Direct Line" report by Nikolay Lashkevich: "Lithuania: Toward the Market Without 'Shock Therapy'"]

[Text] Vilnius—At a meeting with workers of the Vilnius radio components plant, Prime Minister G. Vagnorius expressed support for a gradual transition to the market, with priority on economic rather than political interests in relations with the USSR.

He stressed that Lithuania must build economic links with the Soviet Union on the basis of bilateral economic agreement. Specific proposals have already been sent to Moscow, and Lithuania is awaiting the Soviet leadership's response. The head of government acknowledged that this would be the wrong time to bring a separate currency into circulation, and he perceives a new ration card system as the way to avoid oversaturation with monetary resources. In general, the Lithuanian premier again confirmed that his cabinet intends to use the Estonian experiment in the sphere of free prices more carefully and that it does not intend to apply "shock therapy" methods to Lithuania.

Party Accuses Government, Media of Provocation

PM1607202391 Moscow PRAVDA in Russian 17 Jul 91 First Edition p 2

["Announcement" by Lithuanian Communist Party Central Committee Information Agency: "Provocation"]

[Text] With the connivance of the Lithuanian Republic's law-enforcement organs the cross in Lukiskes Square was blown up by unknown persons at 0330 hours 12 July 1991. According to an announcement by the Lithuanian MVD [Ministry of Internal Affairs], early in the morning of the same day unknown people allegedly attacked the house of the "hunger-strikers" on Konarskiy Street, tore down the republic flag, destroyed placards, made an inscription reading "Glory to the CPSU," and hoisted the USSR state flag in place of the flag they had torn down.

The Lithuanian Government and its mass media, capitalizing on the said facts, has unleashed hysterical propaganda, accusing the Soviet Army and subunits of USSR MVD [Ministry of Internal Affairs] troops of doing this. Anti-Russian, antiarmy, and anticommunist slogans are being proclaimed on Lithuanian Government radio and television. The Lithuanian Government has embarked on a direct path of provocation and intrigues by asserting that "the structures of the USSR Armed Forces stationed on Lithuanian territory are planning to carry out an attack on the OMON [Special Purpose Militia Detachment] disguised as Lithuanian Republic police or Territorial Defense Department servicemen." Government mass media are also urging other acts of provocation.

In this connection the Lithuanian Communist Party Central Committee Information Agency has been instructed to state the following:

The Lithuanian Communist Party has nothing to do with the aforementioned facts.

The leadership and members of the Lithuanian Communist Party condemn the latest provocations. All the events cited are links in one big political provocation which are aimed at complicating the sociopolitical situation in the republic prior to celebration on 13 July of the 47th anniversary of the liberation of Vilnius from the German fascist aggressors and of USSR President M.S. Gorbachev's visit to London that day, and also at discrediting the Lithuanian Communist Party in the eyes of the public.

Government Urges Gorbachev To Return Buildings

LD1607223191 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 16 Jul 91

[Text] In a telegram addressed to President Gorbachev today, the Lithuanian Government requests that he employ all of his political authority and all power at the disposal of the Soviet president to effect the immediate

return of the Press Palace, the radio and television center, the Vilnius television tower, and the other state buildings of the Republic of Lithuania which had been seized by crude force during the tragic days in January.

The telegram points out that a half year has elapsed since the residents of Lithuania have been able to use the basic mass information media which are currently being used to propagate a campaign of incitement toward national enmity and an increase of tension among the public.

Your efforts toward the removal of the negative consequences of the January events, notes the Lithuanian prime minister's telegram to the Soviet president, will be appropriately assessed by the inhabitants of the Republic of Lithuania and they will assist in regulating, as soon as possible, the relations between the Soviet Union and the Republic of Lithuania.

Communist Party Expels Brazauskas, Others

OW1707014591 Moscow BALTFAX in English 1230 GMT 16 Jul 91

[Transmitted via KYODO]

[Text] The newspaper of Lithuanian Communists "TARIBU LETUVA" ("Soviet Lithuania") has published a resolution by the Bureau of the CPL CC [Communist Party of Lithuania Central Committee] and Presidium of the Central Control Commission.

The resolution says that A. Brazauskas, V. Beryozov, L. Sepetis, Y. Paletskis, V. Gerzonas, B. Kirkilas are no longer considered as members of the CPSU. The decision was made for the reasons of their organizational and ideological breaking-off with the CPSU, national separatist views and membership in the Lithuanian Democratic Party of Labor.

Lithuanian journalists note that the resolution by the CPL CC is a year and a half late because the split of Lithuanian Communist occurred already in 1989. As a result, the Communist Party of Lithuania on the CPSU platform and the independent Communist Party of Lithuania emerged. The latter was later transformed into the Lithuanian Democratic Party of labor.

Dobrovolskas Appointed Vice Premier 16 Jul

LD1607140191 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 16 Jul 91

[Summary] The appointment of the Lithuanian minister of social security, Algis Dobrovolskas, to the post of Lithuanian vice premier was approved at today's plenary session of the Lithuanian Supreme Council. Fifty-nine deputies voted for the candidature of Dobrovolskas; one deputy voted against him and 29 abstained.

Other Appointments Announced

LD1607110791 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 16 Jul 91

[Text] Here is information from government adviser Ceslovas Jursenas. I will acquaint you with government decisions on staff problems.

First of all, Vladimiras Truksinas has been appointed General Director of the Statistical Department attached to the Lithuanian Government. Truksinas is 50 years old, an economist and up to now was deputy general director.

Vytas Navickas has been appointed first deputy minister of economics. He was occupying the post of the minister, was born in 1952, and is candidate of economy.

Arvydas Sekmokas has been appointed deputy minister of economies. He is 40 years old and is an engineer-economist.

Anicetas Ignotas and Kazimieras Miniotas have been released from their posts of deputy ministers of economics because of their appointments to other posts.

Interior Minister Not Voted On

LD1607173191 Moscow All-Union Radio First Program Radio-1 Network in Russian 1600 GMT 16 Jul 91

[Text] At the plenary meeting of the Supreme Soviet today Lithuanian Prime Minister Gedeminas Vagnorius devoted a good deal of effort to convince deputies to confirm him in combining the post of minister of internal affairs. He justified the need for this step by the fact that this is allegedly almost the only option to guard the law enforcement bodies from the influence of various parties. However, the parliament's standing commission on the legal system and also four parliamentary groupings stated that they would not take part in voting on this matter. After this, the majority of deputies making up these groupings left the meeting hall. The Supreme Soviet was left without a quorum. The question of appointing a minister of internal affairs will be resolved at one of the coming meetings of the republican parliament.

16 Jul Congress of People's Deputies Proceedings

LD1607203191

[Editorial Report] Moscow Russian Television Network in Russian at 1840 GMT on 16 July carries its scheduled program of recorded highlights of the 16 July session of the fifth Russian Soviet Federated Socialist Republic, RSFSR, Congress of People's Deputies in the Kremlin in Moscow.

Svetlana Goryacheva is shown chairing the session. The results of the voting for the post of Supreme Soviet chairman are announced, with neither candidate having the required number of votes.

Goryacheva proposes a two-hour interval for discussions. The proposal is rejected.

An unidentified deputy proposes that the session dissolve itself, while another proposes that Khasbulatov be elected as chairman and Baburin as his deputy. Another deputy proposes postponing the election until the fall.

At 1847 GMT Khasbulatov notes that it took 13 votes to elect Pertini in Italy. Deputy Rumyantsev claims that the election is not only about personalities but about policies.

At 1853 GMT the studio presenter summarizes the proposals that had been made.

At 1854 GMT Yeltsin comes to the rostrum to comment on the proceedings.

At 1856 GMT the studio announcer states that all but four of the candidates have withdrawn. Goryacheva says that each of the candidates will be given the opportunity to speak. Khasbulatov then comes to the rostrum to comment on the course of the elections. Asked from the floor whether he believes he can persuade his supporters to vote for Baburin as deputy, Khasbulatov says that democracy is hard to control but he hopes to persuade his supporters.

At 1903 GMT Deputy Stepanov says that an increasing number of deputies oppose Khasbulatov and asks why he continues to stand for election. Khasbulatov responds that 80 percent of the electorate supports him. An unidentified deputy states that Khasbulatov's supporters will keep to the agreement to vote for Baburin if Khasbulatov is elected.

At 1907 GMT Deputy (Arzhanikov) comes to the rostrum. Several deputies ask him to withdraw his candidacy, to which he agrees.

At 1915 GMT Baburin comes to the rostrum and states that he will not withdraw his candidacy.

At 1921 GMT Deputy (Starovoyteva), another candidate, comes to the rostrum. She says that in no other country does a party which has been defeated at the elections lay claim to the top parliamentary post. She calls for more parliamentary monitoring of its decisions. She calls for a revision of the Union treaty and speaks in favor of democratic principles. In conclusion, she withdraws her candidacy.

At 1927 GMT Goryacheva proposes holding a vote. The studio announcer says that voting began at 1715 GMT and that the results will be announced at 0600 GMT on 17 July.

Supreme Soviet Vote Ends 'Inconclusively'

LD1607192791 Moscow TASS in English 1855 GMT 16 Jul 91

[By TASS parliamentary correspondents Yuriy Kozmin and Andrey Surzhanskiy]

[Text] Moscow July 16 TASS—The sixth round of vote for the post of chairman of Russian Federation parliament ended inconclusively today.

According to provisional data, neither candidate has managed to get the required majority (531 votes). Ruslan Khasbulatov and Sergey Baburin received 409 and 412 votes respectively.

The official results will be announced on Wednesday.

Election Postponed Until Fall

LD1707075991 Moscow TASS International Service in Russian 0725 GMT 17 Jul 91

[By TASS parliamentary correspondents Lyudmila Aleksandrova and Andrey Surzhanskiy]

[Excerpt] Moscow 17 Jul (TASS)—Participants in the Extraordinary Fifth Congress of Russian Soviet Federated Socialist Republic [RSFSR] People's Deputies in the Kremlin have decided to postpone electing a chairman of the Russian Supreme Soviet until autumn. The duties of the head of parliament have been temporarily entrusted to Ruslan Khasbulatov, first deputy chairman of the RSFSR Supreme Soviet. [passage omitted]

Khasbulatov Favored as Chairman

LD1607111591 Moscow All-Union Radio First Program Radio-1 Network in Russian 1000 GMT 16 Jul 91

[Correspondent Lyudmila Semina report]

[Summary] At today's Russian Soviet Federated Socialist Republic [RSFSR] Congress of People's Deputies session in Moscow, "the following proposal has been drawn up: to vote for a package pairing Khasbulatov as chairman of the Supreme Soviet, and Baburin as first deputy. Arguments favor Khasbulatov because of his experience and the tremendous support of his voters."

Chairmanship Proposals Outlined

OW1707044891 Moscow INTERFAX in English 1330 GMT 16 Jul 91

[Transmitted via KYODO]

[Text] After a two-hour break in the sessions of the fifth early congress of people's deputies of the USSR chairman Boris Isaev briefed the law-makers on the results of a meeting of the conciliatory comission and put to the vote four proposals.

1. The Superme Soviet Chairman must be elected on one ticket with his first deputy (irrespective of specific candidates for these posts).

2. Amendments must be made to the procedural rules of the congress and the RSFSR [Russian Soviet Federated Socialist Republic] Constitution.

3. New elections with other candidates must be held.

4. Ruslan Khasbulatov must be asked stay in office until the next congress is convened in the autumn.

The first proposal was rejected.

Conciliation Suggestion Rejected

LD1607150791 Moscow All-Union Radio First Program Radio-1 Network in Russian 1400 GMT 16 Jul 91

[Text] At 1700 the outcome of the work of the Russian Congress is that the chairman of parliament has still not been elected. The decision of the conciliation commission to conduct a ballot pairing Khasbulatov as chairman and Baburin as first deputy was rejected. Then it was decided to hold a new round of nominations for the post of chairman by means of a rating-based ballot. Those named were: Khasbulatov, Baburin, Shakhray, Lukin, Polozkov, Goryacheva—she immediately declared she was not standing, so she simply did not have to make her way to a microphone—to continue the candidates: Starovoytova, Voronin, Arzhannikov, Afanasyev, Isakov, (Shuykov), (Shurin), and Rassokhin. Thirteen people.

Eventually, one of the candidates—though by this time this was simply irony—suggested that all 1,060 deputies be nominated and determine through a rating-based ballot whom the Congress likes best. Apart from this, deputies advanced serious arguments for ending the congress now and postponing the elections until the fall and until then to lay full responsibility on the first deputy chairman. Many deputies judged their own work very sharply: The congress has signed its own death penalty. It was suggested that the law on the powers of the president be changed so that he would dissolve the parliament.

There were other arguments: The congress is tired; we are becoming a laughing-stock. Incidentally, there have been several calls since this morning either to disband or to postpone the congress until fall but these suggestions were never included in the matter being discussed at the time and the congress did not have an opportunity to decide on them. The congress is tired, the congress has reached deadlock. It is impossible to predict how events will develop. I have completed my report from the Congress of People's Deputies of Russia.

Yeltsin on 'Dead End' Voting

LD1607172491 Moscow TASS International Service in Russian 1620 GMT 16 Jul 91

[By TASS parliamentary correspondents Lyudmila Aleksandrova, Yuriy Kozmin, and Andrey Surzhanskiy]

[Excerpt] Moscow, 16 Jul (TASS)—[passage omitted]

At the request of deputies, Boris Yeltsin, president of the Russian Soviet Federated Socialist Republic [RSFSR] addressed the evening session, offering his view of the situation. He described the current situation at the congress as a "dead end," and spoke in favor of one of two alternatives: either to postpone the congress until the fall, or to elect a "tandem" Ruslan Khasbulatov-Sergey Baburin. He expressed his conviction that life itself and the demands of the electors will lead to a consolidation of the opposing political forces.

At the evening session 11 names were put forward, but most of the candidates nominated withdrew. As a result it was the same names as Ruslan Khasbulatov and Sergey Baburin appearing on the list for secret voting.

During the nomination of the candidates, Ruslan Khasbulatov gave an official assurance that if he is elected head of the parliament, he will propose the nomination of Sergey Baburin as first deputy. But the representative of the Rossiya group did not accept the compromise alternative proposed by the conciliation commission, which could have gotten the congress out of its dead end, and refused to withdraw.

There will be another round of elections for chairman of the RSFSR Supreme Soviet in an hour's time. The result will most likely be announced tomorrow at the morning session.

Yeltsin Urges Running Mates

LD1607182891 Moscow All-Union Radio First Program Radio-1 Network in Russian 1638 GMT 16 Jul 91

[Remarks by Russian President Boris Yeltsin at the fifth Russian Congress of People's Deputies in the Kremlin on 16 July—recorded]

[Text] Of course, it is not easy to watch how the congress has been proceeding during all these days. Everyone will probably analyze his own behavior at the congress as well as how he himself is voting. Of course, we probably feel uneasy toward our electorates. I believe—and I believed so on Friday, and said this then at the meeting of faction leaders—that it is a useless situation, a deadlock, and

nothing will come of it. It is necessary either to postpone it until the autumn or to agree to a double option, involving a running mate.

I believe that the fact that today we yet again remembered what we started with at the first congress and organized a conciliatory meeting, and this conciliatory meeting defined by a majority vote to recommend Ruslan Imranovich Khasbulatov for the post of the Supreme Soviet chairman in a secret ballot, and he would name Sergey Nikolayevich Baburin as the first deputy. [sentence as heard] I regard this as the best option, and I think that gradually there will be consolidation. Gradually, they personally will not be like chalk and cheese. No, the situation itself, our life itself, and demands of our electors will lead to a situation where at the Supreme Soviet and at the congress we will be seeking greater consolidation and better understanding of each other. I propose this as the best option.

I would like to tell you more. Ruslan Imranovich approached me and told me that he agrees with this option and that if elected he will propose Sergey Nikolayevich Baburin as the first deputy. I believe Ruslan Imranovich, and I think they will make a good pair.

Rutskoy Discusses New Democratic Party

LD1607223391 Moscow TASS in English 2216 GMT 16 Jul 91

[By TASS correspondent Serafim Bykhun]

[Text] Vilnius July 17 TASS—"I favour a political dialogue at all levels and sovereignty in economic and political relations between Lithuania and Russia," Russian Vice-President Aleksandr Rutskoy has said in an interview with independent Lithuanian Radio.

"In a month or two we will hold a founding congress of a new party—the Democratic Party of Russian Communists. The Russian Communist Party existing today, is not a political organisation, which the parliament and Boris Yeltsin could rely upon," Rutskoy said.

"I believe that the communist movement still exists and it cannot be rejected, but it is necessary to consolidate democratic forces in this movement, which could become a parliamentary party and support the Russian parliament, government and president," Rutskoy said.

Yeltsin Kremlin Office 'Extremely Significant'

PM1607084591 Moscow SOVETSKAYA ROSSIYA in Russian 13 Jul 91 First Edition p 1

[Unattributed report: "Russian Presidential Residence in the Kremlin"]

[Text] Russia's red and blue state flag has been hoisted over a building near the Kremlin's Spasskiy Tower. V.V. Ilyushin, RSFSR [Russian Soviet Federated Socialist Republic] presidential spokesman, told a ROSTASS correspondent that the decision to give the head of the Russian Federation a workplace in the Kremlin was adopted with the USSR president's consent before B.N. Yeltsin took office. Despite the fact that so far he has been allocated relatively small premises, the very fact of his being given room in the world-renowned historical center is extremely significant.

KRASNAYA ZVEZDA on Yeltsin Inauguration

PM1607094591 Moscow KRASNAYA ZVEZDA in Russian 13 Jul 91 First Edition p 1

[Vyacheslav Lukashevich "Seven Days" article: "Mirror in Which We Forgot To Look Yesterday"]

[Excerpt] [passage omitted] The polarization of society is continuing despite the fact that some commentators and politicians have begun to speak of stabilization and accord, of a "gentle" breeze blowing from Novo-Ogarevo, and the legitimation of the process. That is not bad, but there still seems a long way to go to accord in Novo-Ogarevo itself. The Union treaty—whatever its supporters would like—will obviously not be signed according to the first or second schedule. After all, it is one thing to shake the USSR president's outstretched hand after swearing the presidential oath and receiving the patriarch's blessing in full view of the whole people, and something quite different to sign with the same hand a treaty that enshrines concessions to the center.

However, other opinions also exist. "As of today Boris Yeltsin enters the labyrinth around which the USSR president has been wandering for a long time," Lithuania's RESPUBLIKA wrote 10 July in connection with the swearing-in ceremony for Russia's first president. The newspaper noted that "whereas previously, as chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet, Yeltsin could claim that he did not hold all power, now he has to change his tune. Yeltsin and Gorbachev have become 'brothers in misfortune.'"

Admittedly, Gorbachev has made another concession. He has vacated his office in the Kremlin, moving to an adjacent building, and allowed the Russian president to move his furniture in. This does not mean that they will be drinking tea together, but this "regal" gesture has at any rate delighted Yeltsin—a man of power who has, according to one newspaper, devoted his entire life to the struggle for power—and had a crucial effect on the incumbent Russian leader's entire makeup. Now it will be easier for visiting presidents to pay "dual" visits—the eminent Soviet offices are alongside.

Our Lithuanian colleagues seem to have hit the bull's-eye regarding the Russian president's updating his vocabulary. Their own bitter experience shows that it is better to be aware that any authority is founded not on populist slogans, but on practical results. The people only accept the leader who puts people first and does everything he can to ensure their real well-being. Nor is it a coincidence that M. Gorbachev, speaking at the ceremonial sitting of the Congress of Russian Deputies, laid the stress on

precisely this area of the RSFSR president's future activity. And Patriarch Aleksiy II of All Russia, addressing Yeltsin, gave him a clear-cut piece of advice: "You have a heavy cross to bear by the people's choice. You bear responsibility not only to the people but also to God. You have accepted not honor or privileges, but responsibility." It is a pity, in my view, that, unlike the USSR presidential oath, the Russian presidential oath does not specify this supreme responsibility. The military oath enshrining principles tested by time could act as an analogy here.

As for the stable businesslike relations that have formed between the two presidents—of Russia and of the country—we can only rejoice at this. But regrettably, a new line of confrontation is emerging: Between the USSR president, the Novo-Ogarevo "roundtable," and the country's parliament. Members of the USSR Supreme Soviet have begun a vigorous "struggle for survival." After all, if you believe the report circulated by RIA, "President Mikhail Gorbachev said at the 9 July sitting of the USSR Supreme Soviet Presidium that the country's Supreme Soviet has six months left. According to him, neither the Supreme Soviet nor the Congress will adopt the new Constitution or take part in the work on the Union treaty. The only thing that they can adopt is a new electoral law and they can also hold elections of new deputies."

One may doubt the trustworthiness of this summary of what the president said, since this rigid style is not characteristic of him, but the draft Union treaty itself does not after all specify the role to be played by the country's parliament at all. Hence, undoubtedly, the nervy discussion of the treaty at the Supreme Soviet session, which, to all intents and purposes, failed to bring parliamentarians to a unanimous opinion.

Those, in my view, are the most acute problems that have characterized the last seven days. The seven days preceding M. Gorbachev's G-7 meeting in London. Admittedly, one still has to note that a very important document was published this week: "The Program of Joint Actions of the USSR Cabinet of Ministers and the Governments of the Sovereign Republics To Extricate the Country's Economy From Crisis in the Conditions of Transition to the Market." This is the program that will help the country's president to stay "afloat" in foggy Albion. It has been signed not by nine republics but by 10—including V. Manukyan, chairman of the Armenian Council of Ministers. That is, the formula has somewhat changed—"nine plus one plus one."

Does this mean that "electrical technology and not communism will win victory," as a passing journalist commented in the eighth year of the revolution. It is quite risky to answer a question that goes roughly like this today: Ideology or economy? Is the statement by former Politburo Member Ye. Ligachev, to the effect that history develops in zigzags, applicable in this case? I can only say one thing: It is never harmful to look in the mirror of yesterday's history. Better not to look in a mirror made by cooperative apprentices but in a direct, objective mirror. After all, whatever happens, if the Novo-Ogarevo process drags on ad infinitum, it is quite possible, some people think, that Sir Reston will prove right and the "Red Army" will become "gatherers of Russian lands."

How people would dislike that. And Yugoslavia blazing amid the flame of separatist internecine warfare represents a warning....

Progress on Leningrad Free Economic Zone Cited

PM1607113591 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jul 91 p 3

["We Report the Details" article by Aleksandr Osipov: "Only He Who Has Money Can Manage"]

[Text] Leningrad—Even if a miracle suddenly happened and Anatoliy Sobchak was not the first mayor of Saint Petersburg (Leningrad), it seems that he would still have almost fulfilled his main promise to the city's inhabitants. Literally the day before the ballot, the Russian leadership adopted a number of key decisions on the creation of a free economic zone in our region. And after all, it is in the implementation of the ideas of the free economic zone that A. Sobchak sees—not without justification—the main foothold with whose assistance everything that still remains from the collapsing city economy could really be turned upside down.

It is commonly known that only people who have money can manage. The city authorities still have practically no connection with the Petersburg enterprises' income of many millions and so they can scarcely be regarded as authorities. In the next few months the Mariinskiy Palace will force itself, if not to respect, then to have due deference for the enterprises. It is here that the main revenue of the whole region will be located: A decision has been adopted on the introduction of the so-called common purse principle of forming the budget. This means that enterprises will henceforth pay taxes into the local budget alone, and the regional authorities will be the ones to sort out accounts with the Russian budget.

"At the moment everyone—that is, ministries and budgets at various levels—is trying to take something from the enterprises without thinking of the consequences this may have tomorrow," Yuriy Derevyanko, a city soviet deputy and one of the authors of the "Northern Gates" plan for the creation of a free economic zone, many of whose provisions have already been carried out, said. "Is a Ministry of Finances official really going to worry because his decision has doomed some small enterprise near Luga to destruction? And the local budget will not want to kill the hens that lay the golden eggs."

When Anatoliy Sobchak first spoke of a tax credit six months ago, most people simply did not understand what he meant. Then it sounded like a reasonable alternative to the numerous promises made by Russian leaders to lower the taxes of enterprises that decide to

transfer to Russian jurisdiction, or liberate them from taxes altogether. Of course it is easier to just lower the taxes, but after all, then the "king," that is, the state budget, will simply be naked. Today the phrase "tax credit" no longer seems like a magical solution to knowledgeable people, and it means that the enterprise, or, as in our case, the whole region, has lower tax for five years. It will return the sums that it has not paid in these years gradually in the next five years. And, what is more, it will return them with interest.

"This tax credit for our free economic zones, the question of which has essentially already been resolved, is a basis for lowering the taxes for all enterprises in the zone in order to give them the opportunity to direct more resources into their development," Anatoliy Chubays, gorispolkom [city soviet executive committee] deputy chairman for foreign economic relations, said.

If you recall that the creation of a city state fund in December virtually gives the city the right to pursue its own policy of privatization and that 203 joint enterprises have already made use of the right to register themselves in the gorispolkom, then it becomes clear that despite all the problems and difficulties, we are more than halfway up the road to the free economic zone. Although, of course, there are still many problems. Unfortunately another three key questions inherent in the free economic zone, cannot be resolved without Union organs—the currency, customs, and exit procedures.

"We are now discussing such a procedure for currency circulation with the Union," A. Chubays says. "First of all, the proportion of currency resources which enterprises are obliged to sell for rubles must be decreased. And it will not go into the Union budget, but into the fund for developing the zone and the social protection fund. Second, the enterprises that can pay out earnings in currency will obtain the right to do so. But only in a noncash form. They will be transferred to currency accounts in the bank. And not necessarily to the Foreign Economic Bank. A whole bank network of facilities is being created in the city.

Let me add that Anatoliy Sobchak has already named the banks which, as he said, are prepared to form their branches in the free economic zone and grant Soviet clients a full list of services at world standards. These are the Swiss, French, and South Korean national banks. And one more thing needs to be specified—in the spring, when a particularly large number of complaints were made about the gorispolkom's work at the city soviet session, A. Sobchak named A. Chubays himself as the most suitable candidate for the post of head of executive power. So this is an already existing "ideologist-executor" partnership.

"I believe that the zone will be officially opened at the beginning of next year, although its basic mechanisms will start operating earlier." On this note our conversation with Anatoliy Chubays ended.

Republic Role in National Defense Policy Cited

PM1707093091 Paris LE MONDE in French 17 Jul 91 p 7

[Sophie Shihab report: "Russia Wants To Place Soviet Defense Under Control"]

[Text] Moscow—A fund to aid the conversion of the USSR's military industry to civilian uses—the necessary transition toward saving its economy and ensuring world stability—is one of the plans drawn up with a view to the G-7 summit in London. But Soviet defense matters are still sacrosanct for the old generals hostile to this conversion and able to delay the disarmament agreements, as was shown by the difficulties of the latest negotiations on strategic arms.

However, a first step toward breaking their monopoly could be taken on 17 and 18 July in Kiev during a meeting unprecedented in form and purpose. At the initiative of Boris Yeltsin's "defense minister," representatives of the nine republics involved in drawing up a new Union treaty are due to meet to sign an additional protocol clearly defining the division of authority between the Union and the republics in the sphere of defense and the military industry. It will also be the first time that the "nine" have met outside Moscow and without representatives of the central government, Russian deputy Sergey Stepashin, one of the participants, told LE MONDE.

"The Defense Ministry and the General Staff have no need to panic," according to General Konstantin Kobets, chairman of the Russian Federation's State Committee for Defense Affairs created last January who will head his republic's delegation. In an interview to new Russian Government weekly VESTI, this potential "defense minister" explained that the aim was not to create republican armies or national guards, but, by recognizing the need to maintain a unified common defense, to demonstrate the republics' desire to intervene in a sphere which is hampering the whole process of reform in the country.

"The republics no longer want to remain passive spectators of the destruction of their wealth, which, instead of serving to create an efficient army, ensuring the social protection of the military, and contributing to economic recovery is still being used to develop too big a defense system which is impotent and crippled by overlapping structures," the general said. The protocol submitted to the other eight republics, according to VESTI, expands the joint sphere of competence of the Union and the republics to many key questions such as the determination of the level of "adequate defense" and the defense budget. The republics alone can only create their own civil defense and implement conscription which will remain centralized.

Safeguarding the Heritage

Gen. Kobets said he never knew the real total of the defense budget although he was, until recently, deputy chief of staff. He thinks that this budget, which officially stands at 96 billion rubles, can rapidly be reduced to between 12 and 15 billion and the number of men to 800,000. Without explicitly mentioning the need to eliminate the army's political command structures, he mentioned the need to abolish these "overlapping structures" and explained that his committee is preparing the unification of the different strategic nuclear arms systems.

But, above all, the famous "military industrial complex" must be rationalized—a complex which, in the sphere of engineering for instance "exceeds the quantitative and qualitative capabilities of the civilian sector by two or three times." To find the means of involving it in the current economic changes—"without which competitive civilian industries and new modern armaments will not be created"—the Russian State Committee for Defense has set up a "Military Economic Department." "If we do not do something now, we will never do it," the general said, adding: "In so doing we will help both the center and the whole country."

Gen. Kobets formed part of a delegation of Russian deputies—the first Soviet republic to have this honor—which visited NATO from 29 June to 2 July. Disarmament questions were discussed, he said, and he gave his view: As soon as a START treaty reducing strategic arms by 50 percent is signed, negotiations must start on reducing them by 80 percent.

In short, Russia has decided to "shoulder its responsibilities in the formation of a new defense policy for the country," VESTI states. This method of tackling the problem—after Mr. Yeltsin's rather hasty statements hinting at the creation of a Russian Army in response to last January's events in Vilnius—is probably the civilized method of achieving the same ends by people who have come to power. By taking the initiative in defining a modern defense policy for the USSR, Russia is acting as if it wishes to safeguard its heritage.

The Risk of a Weak Confederation

But the other republics stand to gain from supporting Russia against the generals hostile to the idea of their sovereignty. "There will be no problems with the Ukraine, or with Kazakhstan and even Belorussia," Mr. Stepashin said. The representatives of these four republics where the bulk of the Soviet forces are deployed, notably nuclear forces, will meet in Kiev, initially among themselves, before expanding their circle to include the five other Muslim republics in Central Asia and the Caucasus. It is with the latter, whose leaders are closest to the old conservative forces, that problems are likely to arise, the Russian deputy explained.

Regarding reactions by the General Staff, the draft protocol was drawn up after consultations with his officers, Mr. Stepashin said, explaining that Mr. Yeltsin had also raised the subject with Mr. Gorbachev. "But the latter," the Russian deputy added, "still refuses to clash with his less bold colleagues, he is waiting for the pressure to come from the grass roots and that is what we are providing." The colleagues in question are General Moiseyev, chief of the General Staff, who is apparently still hesitating, and Defense Minister Yazov who is openly hostile. But the latter's days as minister are numbered according to some optimistic democrats.

At all events, the Russian Government organ is categorical: "The participants in the Kiev meeting think that without this additional protocol, the treaty could not be signed at all," it writes, undoubtedly reflecting Mr. Yeltsin's intentions. Presenting Mr. Gorbachev with a fait accompli, in other words a document signed by the nine republics—if that happens—could be a precedent for solving, to the republics advantage, the remaining problems hampering the signing of the Union treaty. Because these problems are fundamental, the USSR would then slide toward a weak form of confederation unless Russia manages to safeguard its heritage in this sphere, too.

Belorussia

Trade Agreement With Bulgaria Signed

OW1607052391 Moscow INTERFAX in English 1230 GMT 15 Jul 91

[Transmitted via KYODO]

[Text] Belorussia became the first Union republic to sign a governmental agreement with Bulgaria. The document signed by Bulgarian Deputy Premier Aleksander Tomov and his Belorussian counterpart Vladimir Zalomay lays down the lines for bilateral trade and economic cooperation and a procedure for Bulgarian-Belorussian payments.

It is planned to bring trade between the two republics to $180 million by the end of 1991. Deliveries shall follow a jointly developed list. The partners agreed to use all forms of trade operations common to international practice, including barter and compensation deals. Bulgaria will sell to Belorussia catering equipment, cargo handling equipment, fresh and canned fruits and vegetables, electric devices, etc. Belorussia will export agricultural machinery and household appliances, trucks, spare parts and potash fertilizers.

Ukraine

Explosions Allegedly 'Plot by Communists'

PM1707082391 Moscow PRAVDA in Russian 13 Jul 91 Second Edition p 3

[Correspondent V. Drozd "Pertinent Comments": "'Reichstag Fire' in Galicia?"]

[Text] Explosions boomed out at dawn again. This time obelisks to leaders of the Organization of Ukrainian Nationalists—the newly restored monument to S. Bandera in Ivano-Frankovsk Oblast and the monument to Ye. Konovalets that was recently unveiled in Lvov Oblast—departed this life.

But this time, regrettably, people and housing suffered damage. The local democratic press and, in its wake, deputies at a routine Lvov Oblast Soviet session immediately voiced well-ordered accusations: All this was allegedly a plot by communists and the Army, biased attempts by Moscow to create an enemy image of Galicia. The following conclusions ensued: We (?) are still pondering whether or not to sign the Union Treaty and whether sovereign Ukraine needs its own Armed Forces or not...

One newspaper went even further in identifying the "culprits," "linking" the explosions with the start of the routine oblast soviet session and the conference of Army political personnel involving M.S. Surkov, member of the CPSU Central Committee Politburo and secretary of the All-Army Party Committee.

"I absolutely protest at the attempts to link an ordinary official tour of duty with the explosions at these monuments," M.S. Surkov said during a meeting with journalists, "especially with the intention of implicating the CPSU Central Committee and Defense Ministry in these actions."

With one voice, the "accusers" draw an analogy between the explosions and events in the Baltic republics. With equal ease and without respite, they link the explosions with the new political forces' aim of thwarting the signing of the Union Treaty at all costs and of being prepared with no qualms to champion a sovereign Ukraine outside the renewed Union.

Independence Day Celebrated

LD1607215491 Moscow Central Television First Program Network in Russian 1800 GMT 16 Jul 91

[From the "Vremya" newscast]

[Excerpts] The Republic of Ukraine Supreme Soviet adopted the declaration of Ukraine's state sovereignty exactly a year ago. That day, 16 July, will henceforth be a festive day in the Ukraine. [passage omitted] [L.M. Kravchuk, Ukrainian Supreme Soviet chairman] We are acting on the basis that if the people living in the Ukraine are satisfied with their life, see prospects, and proceed along the channel of humanist processes common to all mankind, supporting all that is good in other peoples, they will thus be making a contribution to relations with other republics and other peoples. We must strengthen and maintain our economic ties with the republics as we progress. That is our position. [video shows festivities, Kravchuk talking into microphones]

Kravchuk on Union Treaty Stance

PM1607102191 Moscow KOMSOMOLSKAYA PRAVDA in Russian 13 Jul 91 p 1

[Report by O. Musafirova under "Political Chronicle" rubric: "Kohl's Wish"]

[Text] L. Kravchuk, chairman of the Ukrainian SSR [Soviet Socialist Republic] Supreme Soviet, has held a press conference on the eve of the first anniversary of Ukrainian independence.

"There are increasingly frequent hints these days that the Ukraine and its parliament have allegedly taken up a position bordering on retreating from the results of the referendum. These are hasty conclusions. Our referendum said 'yes' to a union of sovereign states, but by no means to the draft document answering to such a formulation of the question. And the Supreme Soviet, fulfilling the will of the people and its own resolution, is obliged by 1 September to bring the future treaty in line with a declaration that already has the force of law. I do not support the haste of republics which have approved the treaty twice over without clapping eyes on it..." Leonid Makarovich remarked.

The chairman of the Ukrainian Supreme Soviet explained why the recent government meeting near Kiev between USSR President M. Gorbachev and Federal Chancellor H. Kohl was attended on the Ukrainian side by the first secretary of the Ukrainian Communist Party Central Committee in addition to the head of parliament and the head of the Cabinet of Ministers. The CPSU, in the chancellor's opinion, is for the time being the ruling party in the country. It was Kohl's wish...

Moldova

Local Government Law Adopted

PM1607152191 Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 3

["Direct Line" report by Eduard Kondratov: "Moldova: Reform of Local Power"]

[Text] Kishinev—The Moldovan Supreme Soviet has adopted a law on the fundamentals of local self-government, which determines not only the forms but also the content of the new structures of state power.

I doubt whether any other law has had a passage through parliament as agonizing as this one: The debate began as much as six months ago. The law introduces the republic's new territorial-administrative system. Rayon and rural soviet borders will soon disappear from the map of Moldova: It will be divided into several large judets, or districts, which will comprise cities and rural communes. Kishinev and Tiraspol will have special municipal status.

It has been decided that the prefects in the districts will not be appointed, but will be chosen from elected representatives of the people—prefecture counselors. But the president of Moldova will reserve the right to propose a candidate for prefect.

Georgia

Breakaway Republics 'Kishinev Forum' Meets

PM1507153191 Moscow ROSSIYSKAYA GAZETA in Russian 12 Jul 91 p 2

["Politics" report by D. Ninua report: "The Position of the 'Six' Is Firm"]

[Text] The "Kishinev Forum"—a consultative council comprising the most influential mass movements in the republics that firmly persist in their stance of not signing the Union treaty—has completed its work in Tbilisi. The first meeting took place two months ago in Kishinev, hence the name. It was decided at the time to hold regular meetings.

Representatives of sociopolitical forces in Georgia, Armenia, Moldova, and Latvia, without their colleagues from Lithuania and Estonia, who cited the complex situation in their republics as preventing them from attending, discussed a number of serious issues. In particular, great attention was paid to Soviet violations of the USSR Constitution and human rights regarding Armenia, and the complex situation within Moldova's parliament was examined. The USSR defense minister's order to set up special "volunteer" troops, whom it is planned to send to areas of interethnic conflict, was also condemned.

In their speeches the members of virtually all the delegations raised the question of the use by the center of various means of pressuring "recalcitrant" republics to compel them to sign the Union treaty. The forum's participants noted that peoples' right to self-determination is being disregarded, an economic blockade and ideological warfare are being employed, and the separatist sentiments of pro-Soviet formations and groupings at the local level are being encouraged.

The forum's participants adopted three documents—an appeal to the USSR president and the leaders of the republics that signed the statement of 23 April 1991, a statement "On the Inadmissibility of Nuclear Proliferation," and an appeal to the parliaments of Armenia, Estonia, Georgia, Latvia, Lithuania, and Moldova.

Addressing their republics' parliaments, the forum's participants noted the need to reject the Soviet Union's services in representing the interests of these six republics within the United Nations and other international organizations.

It has been decided to hold the next round of the "Kishinev Forum" in the Latvian capital, Riga,

Government Cements Ties With 'St. Petersburg'

AU1707112591 Tbilisi SVOBODNAYA GRUZIYA in Russian 5 Jul 91 p 3

[Article by Paata Archavadze, SAKINFORM correspondent: "Georgia—St. Petersburg: Direct Ties"—St. Petersburg (Leningrad), 4 July]

[Text] "We are opposed to signing the Union treaty but are in favor of having ties with all who wish to cooperate with us," stated Nemo Burchuladze, deputy chairman of the Republic of Georgia Supreme Council, at a news conference held here. At the request of journalists, the head of the Georgian parliamentary delegation summed up the preliminary results of the negotiations with the city's leaders that had been held these last few days.

During the course of a thorough discussion with Anatoliy Sobchak, mayor of Leningrad, and meetings with leaders of the Leningrad soviet and during his speech to the soviet's deputies, Nemo Burchuladze defined a wide circle of spheres of mutually beneficial cooperation, in particular the opening of joint stock companies and private companies and shops. Favorable conditions already exist for the expansion of trade and tourism and for the strengthening of joint contacts on a partnership basis.

The sides expressed particular interest in the sphere of cultural and humanitarian cooperation. The Leningrad authorities responded with particular understanding to the proposal regarding the restoration and development of the rich traditions of the school for Georgian studies that existed for many years in St. Petersburg (Leningrad). The sides have mutually agreed to expand contacts between theater troupes and musical and choreographic collectives. As a way of breaking the information dictate of the center, they also appraised the opening in Leningrad of a center for journalists belonging to the "Sakartvelo" information agency, a branch of SAKINFORM, and the possibility of an equivalent Leningrad representation functioning in Tbilisi.

Giving an overall assessment of the results of the official visit, Mr. Nemo Burchuladze viewed them as a serious step on the path toward a rapprochement of positions in many spheres and the strengthening of direct bilateral relations.

On 4 July, the Georgian delegation departed for home.

Armenia

Interior Ministry on Armenia, 'Deportations'

LD1607134391 Moscow TASS International Service in Russian 1303 GMT 16 Jul 91

[Text] Moscow, 16 Jul (TASS)—The following statement by the press service of the USSR Ministry of Internal Affairs has been disseminated here:

In connection with inquiries from the public and from representatives of the mass media concerning alleged acts of forced deportation of the Armenian population from a number of villages in Azerbaijan, with the participation of subunits of the Internal Troops of the USSR Ministry of Internal Affairs, the press service of the USSR Ministry of Internal Affairs considers it essential to announce the following:

In the last few days, steps have been taken by the internal affairs bodies of Azerbaijan in a number of villages of the republic to check passports and confiscate illegally held weaponry.

The Ministry of Internal Affairs of the republic reports that this was preceded by an extensive information campaign, and direct conversations and talks with the local population. In a number of cases, mutual understanding was reached: For example, in the village of Erkech the inhabitants voluntarily handed in 40 grenades, five home-made grenade launchers, a Kalashnikov rifle, and hunting guns.

But on 15 July, while these measures were being carried out, the subunits of the Azerbaijan militia were fired on by persons belonging to guerilla forces hiding in several villages, and two members of the Ministry of Internal Affairs of the republic were wounded.

According to preliminary figures, there were also casualties among the population. In both cases the responsibility for this lies with the guerillas, who were using the situation to whip up tension both in the region and in the public awareness of the whole country.

Provocative conjectures about participation in these actions of large subunits of the Internal Troops of the USSR Ministry of Internal Affairs, with the use of artillery and tanks, are absolutely false and without foundation. The contingents of Internal Troops stationed in the neighboring rayons are extremely small, and do not have any tank or artillery subunits.

Supreme Soviet Debates Nagorno-Karabakh Problem

NC1607173091 Yerevan Radio Yerevan Network in Armenian 0600 GMT 16 Jul 91

[From the review of HAYASTANI HANRAPETUTYUN]

[Text] Yesterday's Armenian Republic's parliament session began with the report on the situation in Shaumyanovskiy Rayon by people's Deputy Albert Bagdasaryan, who visited the rayon recently.

Levon Ter-Petrosyan, chairman of the Armenian Republic's Supreme Soviet, presented two proposals for debate on the solution of the Nagorno-Karabakh problem.

The first proposal was the draft plan put forward by the 59 deputies who called for the Armenian struggle in Nagorno-Karabakh to be certified as a struggle for national liberation. The second was the political initiative put out by the plenipotentiary representatives of the working people of Nagorno-Karabakh which envisages the oblast's representatives voicing their readiness to undertake political talks with Azerbaijani authorities to seek (?compromises) within the framework of the USSR Constitution and laws.

Babken Ararktsyan, first deputy chairman of the Armenian Republic's Supreme Soviet, who chaired the evening session of the Supreme Soviet, [words indistinct].

Only 32 deputies voted for the first proposal.

Some 124 deputies voted for the second proposal, not enough to pass the decision. In a second round of voting, 136 deputies voted for the proposal while 10 opposed and 18 abstained.

The next Supreme Soviet session will be held today.

Union Treaty Called Solution to NKAO Problem

LD1307215891 Moscow TASS in English 2056 GMT 13 Jul 91

[By TASS correspondent Tigran Liloyan]

[Text] Yerevan July 13 TASS—Armenia should participate most actively in the discussion and development of the new Union treaty. This is the opinion of the Dashnaktsutyun Party, which is set forth in a statement of its group in the Armenian parliament published today. The Dashnak Party believes that "the Nagorno-Karabakh [NKAO] problem can be settled in this way" and that "the final wording of the treaty will create extensive opportunities to overcome more quickly numerous difficulties on the way to independence and will not hamper in any way the creation of future free, independent and united Armenia."

At the same time, the party believes that the republic should not join the treaty if it is identical to the previous one and if it "blocks the attaining of our goals and the settlement of the Nagorno-Karabakh problem."

"A deepening crisis in the economic and political spheres, as well as in the sphere of inter-ethnic relations in this country presupposes radical transformations," the party believes.

Azerbaijan

Party Nominates Mutalibov for President

LD1607195191 Moscow TASS International Service in Russian 1830 GMT 15 Jul 91

[Text] Baku, 15 Jul (AZERINFORM-TASS)—There was a joint plenum of the Azerbaijan Communist Party Central Committee and the Control and Auditing Commission in Baku today. The meeting discussed tasks involved in the organizational and political strengthening of the Azerbaijan Communist Party at the present time.

As the report by Ayaz Mutalibov, member of the CPSU Central Committee Politburo and first secretary of the Azerbaijan Communist Party Central Committee and other addresses noted, the republic's party organization is succeeding in the current complex and contradictory

situation in deepening democratic reforms in society. However, in the opinion of the majority of participants in the plenum, urgent measures to revive confidence in the party and raise its role in resolving problems in political, economic, and spiritual spheres of the life of the republic are to be adopted today. Only then will the party be able to remain a consolidating force in the vanguard. There was emphasis on the need to take the national factor into account in organizational, political, and ideological work and to interact more closely with other sociopolitical organizations and movements.

After discussing the issue of a candidate for president of the Republic of Azerbaijan, those taking part in the plenum approved and supported the nomination for this post by many labor collectives of Ayaz Mutalibov, first secretary of the Azerbaijan Communist Party Central Committee.

More on News Conference at Moscow Mission

PM1607102391 Moscow KRASNAYA ZVEZDA in Russian 13 Jul 91 Second Edition p 1

["Direct Line" report by correspondent Captain B. Soldatenko: "Meeting at Mission"]

[Text] Moscow—A press conference was held 11 July at Azerbaijan's mission in Moscow.

The gathered mass media representatives were addressed by Militia Colonel N. Talybov, Azerbaijan deputy internal affairs minister. He noted, in particular, that in the last four and a half years 212 people have died on Azerbaijan's territory, including 29 militia personnel, 19 servicemen, and 164 civilians. Also, 843 people have been wounded.

He also announced that since the USSR presidential decree came into force 1,204 firearms have been confiscated from gunmen, including 923 smoothbore firearms, and the following have also been confiscated: 72,551 pieces of ammunition, more than 1.5 tonnes of explosives, 1,501 grenades and fuse assemblies, 10 grenade launchers, 29 hail guns, nine mortars, 585 mines, 75 rockets, 990 meters of safety fuse, and 14 high-explosive charges.

Z. Rustam-zade, Azerbaijan's plenipotentiary representative in Moscow, Militia Colonel F. Byskubov, chief of an Azerbaijan MVD [Ministry of Internal Affairs] department, and Militia Colonel G. Zabelin, deputy chief of an Azerbaijan MVD department, took part in the press conference.

At the end of the press conference journalists visited an exhibition of the weapons that have been confiscated from gunmen.

Azerbaijan, Georgia Presidents Sign Pact

OW1507134791 Moscow INTERFAX in English 1915 GMT 12 Jul 91

[Transmitted via KYODO]

[Text] On Friday the presidents of Azerbaijan and Georgia, Ayaz Mutalibov and Zviad Gamsakhurdia signed an intergovernmental agreement on friendship and good neighbourly relations. At a press conference after the signing ceremony, journalists were told that the agreement is a long-term one, providing for cooperation on a wide spectrum of issues ranging from the economy to sport. What's more, according to a provision in the agreement, Georgia and Azerbaijan will in the near future establish diplomatic missions on each other's territory to be elevated to embassies at a later date.

The issue of Nagorno-Karabakh got a great deal of attention at the press conference. Mr. Mutalibov said that "over 70 percent of Armenians in Nagorno-Karabakh would like the situation in the republic to stabilise, whereas the destabilising factor is clearly not in Azerbaijan."

"We shall join Armenians at the negotiating table only when they stop interfering in Azerbaijan's internal affairs. The sooner this is understood in Armenia, the better," he said.

Asked to state his views on the Union Treaty, Mr. Mutalibov said that "during the March 17 referendum the people of Azerbaijan had made their choice in favour of preserving the Soviet Union, and this is a wise decision because if a different choice were made, Nagorno-Karabakh would take advantage of it and sign the Union Treaty separately."

During the press conference, Mr. Gamsakhurdia said that a similar agreement would be signed by Georgia with the Republic of Armenia. "We have already reached a preliminary understanding with Levon Ter Petrossyan," he said, adding that "a trilateral meeting between Ayaz Mutalibov, Levon Ter Petrossyan and myself is to take place." Both presidents declined to give a more definite date for the meeting.

Kazakhstan

Two Further Tests Planed for Semipalatinsk

PM0907111591 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Jul 91 p 1

[SIBINFORM report: "Blasting Work in Kazakhstan To End"]

[Text] The question of the fate of the Semipalatinsk nuclear test site, where for 40 years they have carried out major nuclear weapons tests whose effects have affected not only the inhabitants of Kazakhstan but also those of adjacent areas of Siberia, has been finally decided.

As IAN has reported, President Nursultan Nazarbayev of Kazakhstan has stated that there will be another two nuclear explosions at the test site near Semipalatinsk before the end of this year, but they will be the last nuclear weapons tests in Kazakhstan.

Previously the Defense Council under the USSR president had adopted a decision on ending nuclear tests at the Semipalatinsk test site from January 1993. The Kazakh Republic Supreme Soviet advocated the immediate ending of tests, however.

Meanwhile, according to Nazarbayev, the military is insisting on carrying out two explosions of a nuclear device, offering to pay financial compensation to the Kazakhstan Government for this. "We consider this insulting to the Kazakh people," the president noted.

According to physicians' data, in the last few years the number of patients with leukopenia and other dangerous illnesses in the test site's area, which exceeds 18,000 square km, has doubled. Nevertheless, a poll carried out among the population living in immediate proximity to the test site showed that inhabitants are allowing another two explosions to be carried out. From 1 January 1992, after the nuclear weapons have been shut down, the test site will be used as a scientific research center.

Antinuclear Leader Comments

OW1507121191 Moscow INTERFAX in English 1230 GMT 13 Jul 91

[Transmitted via KYODO]

[Text] Oljas Suleimanov, USSR people's deputy and leader of Kazakhstan's Union of Writers who is the head of the antinuclear movement "Nevada-Semipalatinsk" has said it's premature to speak about a total end to nuclear tests at the local test site since at the moment the question of conducting three calibrating explosions is under consideration.

According to what O. Suleimanov told newsmen in Alma Ata, the military have taken the following stance: if these three test explosions take place, the areas adjoining the test site will get a compensation in the amount of 5 billion rubles. Compensations, said Suleimanov, should be paid regardless of whether the tests are continued or not.

The issue of stopping or continuing nuclear tests in the area of Semipalatinsk, he reminded those present, is supposed to be resolved based on the outcome of a referendum to be held in three regions adjoining the test site.

Tajikistan

Dushanbe Soviet Decides To Dismantle Reactor

LD1507201391 Moscow Russian Television Network in Russian 1703 GMT 15 Jul 91

[Text] The Dushanbe city soviet has adopted a decision to dismantle the nuclear installation at one of the city's scientific research institutes. It turns out that the reactor was installed in a zone of 9-point seismicity. The subsoil waters repeatedly flooded the storage where the reactor fuel was kept, and the underground service lines had rusted.

Law Passed To Protect President's Honor

LD1507195491 Moscow TASS International Service in Russian 1321 GMT 15 Jul 91

[By TADJIKTA—TASS correspondent Galina Gridneva]

[Text] Dushanbe, 15 Jul (TADJIKTA-TASS)—A law adopted by the Supreme Soviet of Tajikistan is aimed at protecting the honor and dignity of the president of this Soviet Central Asian republic.

The document stresses in particular that public insults against the head of the republic include deliberate abasement of his honor and dignity expressed in indecent form, and the dissemination of obviously false fabrications defaming the president. Penal measures are also provided for, up to deprivation of liberty for up to six years.

Acts committed both by individuals and by the mass media which disseminate slanderous material against the Tajik president fall under an article in the criminal code. The degree of liability is determined by the people's court.

At the same time, public statements containing critical remarks on the activity of the head of the republic and also on the policies pursued under his leadership do not fall under the force of the law.

Turkmenistan

Cooperation Agreement Signed With Kyrgyzstan

LD1607205391 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 16 Jul 91

[From the "Vremya" newscast]

[Text] A treaty between the governments of the Turkmen Soviet Socialist Republic [SSR] and Kyrgyzstan on economic and cultural cooperation up to the year 2000 was signed in Ashkhabad today.

[Correspondent K. Babayev] The treaty was signed by the presidents of the two republics, Aksar Akayev for Kyrgyzstan and Saparmurad Niyazov for the Turkmen SSR. The treaty spells out the main principles of relations between the two economies, the joint use of the natural and abundant labor resources, and trade and cultural exchange. The two neighboring republics are also to exchange plenipotentiary missions. [video shows Akayev and Niyazov walking together in the street, then sitting at a meeting].

Here are the concrete details. The oil refineries of Turkmenia are clearly short of funds to begin the deeper processing of the hydrocarbon raw material. Kyrgyzstan intends to allocate the missing funds. For its part, the Turkmen side will finance Kyrgyz enterprises producing farm equipment. In short, both sides consider that now, at a time of the difficult turn toward the market, it is necessary to pool efforts and means, especially since the range of problems of the two republics, which remain special-purpose provinces, is roughly the same. [video shows Akayev speaking; press conference scenes; Akayev and Niyazov embracing]

After the treaty was signed a press conference was held. [Begin recording] [unidentified correspondent] Is there any point now, when a Union treaty is being prepared for signing, in concluding agreements between individual republics?

[Akayev] I have always thought that this all-Union single economic space will consist of technical and economic half spaces. And that is perfectly clear to mathematicians. The Baltic republics have created that in their own area. I think that the Central Asian republics too must have their own general economic space, which would make economic and political ties in this region stable, and then it must be integrated into the all-Union market economy that is being created today and then integrated into the world economy.

[Niyazov] Horizontal ties are very important, and we —Nazarbayev, as Aksar knows, in fact proposed that the Union republics should meet again on 10 August in Alma-Ata and carry out work on concluding horizontal ties with Union republics, including with the Baltic area. If we want to survive economically, we must decide and abide [by our decisions]. When we conclude economic agreements between ourselves, then of course the responsibility lies with those who have signed. [end recording]

Presidential Decree Bans Possession of Weapons

PM1607123591 Moscow IZVESTIYA in Russian 15 Jul 91 Union Edition p 4

[Report by correspondent V. Kuleshov: "Weapon Not Item of Property"]

[Text] A decree of the Turkmen president on considerations of state and public security has banned citizens from owning all types of military equipment and weapons, edged weapons, explosives, printing equipment, narcotics, and special means of active defense.

"But what about hunting and presentation weapons?" I asked Rashid Meredov, chief of the presidential council's department for coordinating the law enforcement organs.

"As regards presentation weapons, arguments are still continuing. But for the time being the procedure is as follows: If an officer has been awarded an army weapon, it remains in his possession for life. But after the owner's death it is handed back to the commissariat without fail, for it is in no way an item of property. Hunting weapons are another matter: You are free to acquire them at your own expense and register them within the established procedure if you have authorization from the organs and to use them."

Of course, you will not find "cheremukha" gas or gas pistols in the Ashkhabad stores but workers of the law enforcement organs assert that such means of active defense are appearing increasingly frequently in people's possession. They also have weapons. "The people are arming themselves," the militia staffers confirm. It is not hard to be persuaded of that, you only have to go into an Ashkhabad hunting store when hunting rifles are being sold. People are trampling each other in their eagerness to buy a rifle at any price, they are paying huge sums of money, and then putting the rifle away at home in a secluded place...

Uzbekistan

President Says 'No Future Without Union'

OW1607090791 Moscow INTERFAX in English 0930 GMT 15 Jul 91

[Transmitted via KYODO]

[Text] The Uzbek Cabinet of Ministers considered the draft Union treaty in Tashkent. The republican president emphasized that Uzbeksitan had no future without the Union.

However, the president criticized the Union government and ministries which he believes are following the old-line policies and are returning to the discredited principle of state order. "Uzbekistan cannot accept such an approach," he said.

The Uzbek Cabinet of Ministers analysed the republic's economic situation, noting a retail price hike and a slump in the production of consumer goods.

President Karimov suggested raising the compenation from 60 to 100 rbl. a month per worker by the year's end.

Special Commission To Study Muslim Conflict

OW1507130091 Moscow INTERFAX in English 1500 GMT 13 Jul 91

[Transmitted via KYODO]

[Text] A special commission designed to settle the conflict connected with the refusal of Mufti Muhammad Sodik to give up his post in accordance with what the believers demanded at their July 5 assembly (Kurultai) began its work in Tashkent on Friday.

The 15-member commission includes on equality basis [as received] government officials, supporters of the deposed mufti and followers of Abdelaziz Mansurov elected to replace him by the assembly of spokesmen for Muslim communities.

The commission will draw its conclusions prior to convening a congress of Muslims living in the region. Such a congress alone is empowered to resolve the problem of deposing a mufti.

A member of the commission, Sheikh Abdelgani Abdullayev told IF's [INTERFAX] correspondent that in his view the presence of government officials in the commission doesn't signify an attempt to exert pressure on the Muslim community in order to support their henchman.

"We suggested ourselves that the government should play the role of an arbiter," he said. "At a time when Muhammad Sodik is forming detachments of his supporters, it's the only way to avoid clashes and violence."